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# IMMIGRATION DILEMMA

2025 PPE LEAGUE READER

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# IMMIGRATION DILEMMA

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### Session I: *Philosophy For & Against*

- *Immigration (Stanford Encyclopedia of Philosophy/Fall 2022 Edition)*. (2019, October 21).

<https://plato.stanford.edu/archives/fall2022/entries/immigration/>

### Session II: *Cultural Considerations*

- Collier, P. (2013). *Exodus: How migration is changing our world*. Oxford University Press.

### Session III: *Economic Impact*

- Clemens, M. A. (2011). Economics and Emigration: Trillion-Dollar Bills on the Sidewalk? *The Journal of Economic Perspectives*, 25(3), 83–106.
- Powell, B., Clark, J., & Nowrasteh, A. (2017). Does mass immigration destroy institutions? 1990s Israel as a natural experiment. *Journal of Economic Behavior & Organization*, 141, 83–95.

### Session IV: *Political Arguments*

- Caplan, B. (2019). *Open borders: the science and ethics of immigration*. First Second.
- Rector, R. (2007). Look to Milton: Open borders and the welfare state | *The Heritage Foundation*.
- Wilkinson, W. (2008). Milton Friedman's Argument for Illegal Immigration. *Internet Archive Wayback Machine*.

2025

SESSION 1

# Philosophy For & Against



SEP: Stanford Encyclopedia of  
Philosophy

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# Immigration

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Immigration occurs when someone moves to another country in order to stay indefinitely. Thus, because of the brevity of their visits, tourists, business travelers and foreign students, for example, typically do not qualify as immigrants even though they spend time in a foreign country. There are a variety of important issues surrounding the morality of immigration, including difficult questions regarding the definition and moral status of refugees, the circumstances (if any) in which it is permissible to use guest workers, what obligations a rich country incurs when it actively recruits skilled workers from a poor state, the rights of irregular migrants, and whether there are any limitations on the selection criteria a country may use in deciding among applicants for immigration. This entry addresses each of these topics below, but first it reviews the most prominent arguments on both sides of the central debate in this area, whether states have the moral right to exclude potential immigrants.

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## 1. Arguments for Closed Borders

### 1.1 Preserving Culture

The most popular argument for the permissibility and importance of closing borders to outsiders is that this exclusion is necessary in order to preserve a state's distinctive culture. The appeal of cultural continuity is easy to appreciate. As David Miller explains, "the public culture of their country is something that people have an interest in controlling: they want to be able to shape the way that their nation develops, including the values that are contained in the public culture. They may not of course succeed: valued cultural features can be eroded by economic and other forces that evade political control. But they may certainly have good reason to try, and in particular to try to maintain cultural continuity over time, so that they can see themselves as the bearers of an identifiable cultural tradition that stretches backward historically." (Miller 2005: 200) Think of the United States, for instance. If the US placed no limits on immigration from



Canada, it is clear neither how many Canadians would move south, nor whether their migration would have a discernible affect upon American culture. If the United States did not limit immigration from Mexico, on the other hand, it seems almost certain that much larger numbers of Mexicans would migrate north and that the changes to American culture would be regarded by many as rapid and dramatic. (Huntington 2005) If so, it seems likely that open borders would quickly lead to changes that would leave many Americans less comfortable in their own homeland. Given this, the concern to preserve one's native culture seems to provide a reasonable justification for restricting immigration.

This line of argument invites a number of empirical and moral questions. Among the empirical questions, we might ask how confident we can be about the numbers and influence of the potential immigrants. Is the immigrants' culture really that distinctive? And are we sure that these newcomers will resist assimilation? Also, how can we be sure that the cultural changes will be rapid and detrimental? Skeptics of this line of argument often object that people tend to (1) exaggerate how distinctive—and distinctively valuable—their existing cultures are (it is notoriously difficult to characterize “American” culture, for instance), (2) irrationally fear change, and (3) underestimate how much their culture is changing anyway, in the absence of immigration. Even if all of these descriptive objections can be definitively answered, important moral challenges remain. In particular, even if citizens have an understandable *interest* in maintaining cultural continuity, it remains an open question as to whether they have a corresponding moral right (and, if so, one might wonder about how weighty this right is). These questions matter, because outsiders may also have competing interests in, and/or rights to, enter the country in question, and thus they may permissibly be excluded only if the rights of insiders to preserve their cultural continuity outweigh any rights of foreigners to enter the political territory.

Finally, even if each of these moral challenges could also be conclusively answered, this approach would not justify excluding all outsiders. At most, it could explain only why countries would be entitled to *limit the flow of culturally distinct* immigrants. To put this point in terms of the United States, for instance, even if the aim of preserving American culture would justify placing limits on Mexican immigration, it would not seem to justify excluding all Mexicans, let alone all Canadians.

## 1.2 Sustaining the Economy

Another popular argument against open borders is that the influx of newcomers will hurt the economy. In its most straightforward version, this argument simply assumes that the domestic economy can support only a certain number of workers, but more nuanced renditions allege more specifically that at least some types of foreigners should be excluded because, given the cultural differences between insiders and these particular outsiders, the inclusion of the latter would not be conducive to economic growth (perhaps because these outsiders lack the requisite work ethic, for instance).

The most common response to this argument is simply to contest that allowing immigrants will have negative economic consequences. It seems clear that some in the domestic economy may be harmed (typically the less skilled workers disproportionately bear the brunt of the costs, since they must now compete with immigrants whose presence drives down wages), but the economy as a whole often benefits as (1) firms are able to hire cheaper labor (and pass along correspondingly lower prices to consumers), and (2) there is an increased demand for various goods and services. More generally, even if a given domestic economy might suffer if it did not restrict immigration, economists tend to agree that the global economy as a whole would profit from fewer restrictions on who can work where. (From an purely economic perspective, the inefficiencies of barring

Africans from competing for work in European countries are costly, just as those which resulted from prohibiting women from working in a ‘man’s’ job were.) This recognition that there will inevitably be net winners and losers whenever a market restriction is lifted points toward the important moral question as to whether anyone has a moral right to the economic benefits of the status quo. For example, let us suppose that less skilled American laborers would be harmed, whereas American firms and consumers along with Mexican immigrants would benefit if the current restriction on Mexican immigration were lifted. If so, then immigration would be impermissible in this case only if the potentially displaced American workers have a right not to face the increased competition for their jobs (Macedo 2007).

We cannot presume that these domestic workers necessarily lack such a right, but neither should we assume that they have it. What is more, even if these workers have a right not to be harmed, it does not follow that opening the economy to foreign workers must be impermissible, at least if there were some way the workers could be adequately compensated for the costs that they disproportionately bear. (Think, for instance, of how the US government routinely provides special unemployment and educational benefits to displaced workers, like those in the textile industry, who lose their jobs as a consequence of new legislation liberalizing trade with foreign countries.) To be successful, then, the economic argument must be much more sophisticated than it might initially appear; in addition to establishing that at least some people will incur economic losses, proponents of this approach must demonstrate that these victims have a moral right to be spared these costs, a right for which they cannot be adequately compensated in other ways.



### 1.3 Distributing State Benefits

A related but distinct argument for closed borders focuses on the distribution of state benefits like welfare payments and health insurance. The basic idea here is that countries like Sweden and Canada, for instance, must limit immigration in order to sustain anything like their current provision of state benefits. If an affluent welfare state placed no restrictions on who could enter, then masses of poor people from around the world would flock to this country in order to take advantage of its provision of health and welfare benefits. Indeed, presumably so many would immigrate that there would be no way for this state to continue distributing these benefits at anything like their current rate. Thus, given the existing levels of global poverty, it appears as though you can have open borders or welfare states, but you cannot have both.

It seems hard to deny that rich welfare states like the Scandinavian countries would be inundated with migrants if they lifted all restrictions on immigration, but not everyone agrees that this fact necessarily justifies keeping people out. A libertarian, for instance, would likely regard this as just one more reason to abandon the welfare state. That is, faced with the choice between either respecting everyone's right to freedom of movement or designing states that can effectively guarantee ample levels of health coverage and welfare transfers to their citizens, the libertarian would favor the former. It is important to recognize, though, that these are not the only two options; the best answer may lie in some middle ground between these two stark alternatives. In particular, perhaps existing welfare states could open their borders to everyone and then provide no, or at least delayed, welfare benefits to newcomers. Imagine, for instance, if Sweden stipulated that immigrants would have their income and wealth taxed from the moment they entered the country, but they would not become vested until they had contributed to the state coffers for something like five years. If immigrants were forced to contribute during a waiting period, such an

arrangement would presumably strengthen rather than jeopardize the host state's capacity to provide state benefits. Thus, while some would no doubt object to newcomers facing a period in which they were net losers, this proposal at least shows that welfare states need not be incompatible with open borders.

Finally, even if all attempts to square open borders with wealthy welfare states are problematic, this argument does not support the right of all countries to design and enforce their own immigration policies. More modestly, it would show only that wealthy welfare states may do so as long as the world is characterized by profound international inequality.

#### 1.4 Political Functioning

One of the most sophisticated arguments on behalf of a state's right to close its borders is the liberal nationalist approach, which suggests that liberal welfare states must exclude outsiders in order to function properly. This account emphasizes that states of this kind are able to operate as they do only because their citizens are willing to make the enormous political sacrifices necessary to sustain a vibrant democracy and equitable welfare state. What is more, these citizens are inclined to freely sacrifice in these ways only because they identify with one another. Were it not for this fellow feeling among compatriots, far fewer would be motivated to invest their personal energy in the democratic process or to give up a portion of their wealth in order to assist less fortunate fellow citizens. And finally, this identification among compatriots depends upon the existence of a shared culture (Miller 2014).

This liberal nationalist account invites all the usual questions: Do liberal democracies really depend upon sufficient trust and fellow-feeling among their compatriots, and, if so, is a common culture genuinely necessary to secure this trust and mutual concern? Just how homogenous must such a

culture be? Liberal democracies like the United States and Canada seem to operate just fine despite a great deal of cultural diversity, for instance. In light of this, why worry that outsiders pose a substantial threat? Is it plausible to think that immigrants will not assimilate to the requisite degree once they have settled in their new state? And even if this account can in some cases justify excluding culturally distinct foreigners, it would appear to provide no grounds for limiting outsiders who share the requisite cultural attributes. Assuming that the answers to these empirical questions ultimately vindicate the liberal nationalist account, tricky moral questions remain. For instance, do the inhabitants of well-oiled liberal democracies have not only an interest, but a *moral right* to the exclusive protection afforded by their enviable political regimes? Finally, even if each of these questions can be satisfactorily answered, this account applies solely to democratic welfare states, and thus other types of states could not invoke this line of reasoning in defense of excluding outsiders.

## 1.5 Establishing Security

Since 9/11, an increasingly popular justification for limiting immigration is the need to secure the safety of one's citizens. After all, given the presence of international terrorists, one can hardly question the threat posed by at least some foreigners.

No one can deny the moral importance of protecting innocent civilians from terrorist attack, but critics have questioned whether restricting immigration is in fact likely to provide the desired security. Chandran Kukathas (2014), for instance, raises two important concerns. First, he notes that, while laws to limit immigration may well decrease legal immigration, they will not realistically be able to eliminate all illegal immigrants. And this point is relevant, of course, because foreign terrorists who feel so passionately about their causes so as to be willing to carry out terrorist missions are not likely to be dissuaded from doing so by the

illegality of entering the country whose citizens they seek to attack. Second, even if a state could somehow eliminate all legal and illegal immigration, this would not be enough because foreigners routinely enter countries, not as immigrants, but for shorter periods as tourists, guest workers, visiting students, or for short business trips. Thus, even if a country somehow managed to preclude all immigration, it could not reasonably hope to exclude all foreign terrorists unless it also restricted the flow of temporary visitors.

## 1.6 Political Self-Determination

Another account of a country's right to close its borders alleges that this right is merely one component of a state's more general right to political self-determination (Walzer 1983; Pevnick 2011). Specifically, some contend that a legitimate state's right to freedom of association entitles it to choose whether or not to admit any given immigrants (Wellman 2008). This type of argument involves three basic premises (1) legitimate states have a right to political self-determination, (2) freedom of association is an essential component of self-determination, and (3) freedom of association entitles one to refuse to associate with others. Thus, just as we would consider it an egregious violation of an individual's personal self-determination if she had no choice but to marry the suitor of her father's choice, for instance, we should recognize that no political community is fully self-determining unless it has discretion over which potential immigrants to invite into its political community. According to this line of argument, then, there is nothing mysterious or complicated about a country's right to screen applicants for admission: it is merely a standard component of a state's more general right to self-determination.

There are a number of ways in which one might contest this line of argument (Fine 2010; Wellman and Cole 2011). Most obviously, one might question whether corporate political entities are even eligible for

moral rights. Value-individualists, for instance, contend that only individual persons ultimately matter morally, and thus, while political states may be extremely valuable instruments, they are merely instruments and, as such, are not the type of entities to which we can sensibly ascribe moral rights. Secondly, even if countries can somehow qualify for moral rights, it seems far-fetched to liken a country's freedom of association with respect to immigrants to an individual's right to refuse a marriage proposal, since presumably marital freedom of association is incalculably more important to an individual than her right to exclude potential compatriots. What is more, it is not clear that the analogy between personal and political freedom of association is even apt, because states that deny immigrants do not merely refuse to politically associate with those who seek to migrate, they also forcibly exclude them from the state's territory. Finally, even if all of these concerns could somehow be addressed, notice both that this argument purports to establish only that *legitimate* states have a *presumptive* right to exclude outsiders. Both of these qualifications are important. The condition that only legitimate states are morally entitled to be self-determining is significant because, given the plausible assumption that many existing states are illegitimate, this argument would not justify the immigration policies of many current states. And the fact that this argument would at best ground only a presumptive right to exclude outsiders is noteworthy, because it leaves open the possibility that this right could be over-ridden by the weightier rights various foreigners may have to be admitted. If a refugee needs to gain entrance in order to escape persecution or a child needs to be admitted in order to reunite with her mother, for instance, then defenders of political self-determination cannot antecedently assume that the legitimate state's right to freedom of association necessarily trumps these individuals' claims.

## 1.7 Democracy

Democratic governance provides another potential link between self-determination and controls on immigration. Given that democracy's principal virtue is thought to be its connection to self-determination, democrats often favor bounded groups which enjoy dominion over their own affairs. As Frederick Whelan puts it, "democracy requires that *people* be divided into *peoples* (each people hopefully enjoying its own democratic institutions), with each unit distinguishing between its own citizens—understood in a political sense as those eligible to exercise democratic political rights *here*—and others, who are regarded as aliens *here*, although (hopefully) citizens somewhere else." (Whelan 1988: 28) The basic idea here is that, in order for democracies to function, there must be rule *by* the same people upon whom the rule is imposed. But this is possible only if the same group of individuals who first vote are subsequently bound by the outcome. If membership constantly fluctuated, however, then self-determination would not occur, because the "self" that votes would not match the "self" which is then bound by the results.

In response, theorists like Phillip Cole (2000) have suggested at least two grounds on which we might question whether democracy requires closed borders. First, even if Whelan is right that democracy cannot function properly unless we sort people into territorially defined groups (What is wrong with a democratic world state, for instance?), why does it follow that the constituents within any given set of territorial boundaries must have control over admissions? Citing local and regional democratic units within larger federal structures as counterexamples, Coles suggests that "[i]t seems clear that democratic rights can be confined to a region, with people entering and leaving that region freely and exercising the local democratic rights during their residency." (Cole 2000: 184) Second, Cole suggests that one of the chief reasons to insist upon democracy in the first place is presumably the belief that coercive political institutions could not

permissibly be imposed unless those coerced are given an equal say in how the political arrangements are ordered. But if so, this makes extending suffrage to only those already within the territorial boundaries objectionable, because, as Cole reminds us, “there are two groups subjected to the laws of the state: its own members, and those non- members who are applying for inclusion.” (Cole 2000: 186) Thus, because exclusive immigration laws are coercively imposed upon foreigners who seek to enter, democratic principles suggest that these outsiders should also have a say in immigration laws. So if Cole is right, the democratic case for closed borders is doubly problematic. Not only is it false that open borders is inconsistent with a functioning democracy, democratic principles may even prohibit a state’s coercively excluding disenfranchised foreigners from entering its territory.

## 1.8 Jurisdiction

The jurisdictional theory of immigration emphasizes that, while political states are morally required to respect everyone’s human rights, they are obligated to *protect* the rights of only those within their territory. Given this, whenever someone moves to a new state, the citizens of the receiving country become responsible for this newcomer in a way that they were not before her arrival. It would thus seem weird to suppose that everyone should be free to move to whatever country they like, because this would entitle each of us to unilaterally impose moral responsibilities upon others. If we value individual liberty, then we should begin with at least a presumption against others being at liberty to unilaterally foist these responsibilities on us (Blake 2013). Our immunity against unwelcome obligations may not be absolute, but it would presumably require a compelling competing consideration to outweigh it. If someone could not enjoy sufficient protection of her human rights unless she moved to Canada, for instance, then this vulnerable person may be entitled to immigrate without permission even though this move will saddle

Canadian citizens with moral duties to which they did not consent. But if someone whose rights are adequately respected elsewhere sought to move to Canada merely because she thinks she would be happier there, Canadians would be well within their rights to forcibly exclude her if they would prefer not to be responsible for protecting her human rights.

Those who think that there is a natural duty to support just institutions may question the pivotal premise in this approach: that we should be skeptical of political obligations to which we have not consented. After all, if each of us was really immune from political duties to which we did not consent, then many of us would not have duties to protect the human rights of our compatriots. But if we must do our part of the collective chore of protecting the human rights of our fellow citizens despite the fact that we never agreed to do so, why think that there is anything distinctively problematic about our similarly having such duties to newcomers who have recently immigrated? Indeed, given that we are already morally encumbered with duties to protect the human rights of those within our state's territorial boundaries, an influx of newcomers does not create any new types of duties, at most it creates additional tokens which would make fulfilling these responsibilities more costly (Kates and Pevnick 2014).

In response, an advocate of the jurisdictional approach might counter that prospective immigrants have no right to unilaterally act in ways that make our natural duties more demanding. But retreating to this position raises new questions. Given that immigrants also contribute to the state's performance of its political functions, it is not obvious why an influx of prospective immigrants would necessarily make it more difficult for those already present to fulfill their political obligations. (Indeed, given economies of scale, the newcomers may often lighten the load of the native population.) And even if there are instances in which the arrival of immigrants would create net costs for a state's existing population, this



fact would generate a right to forcibly exclude outsiders only if the increased demands upon those already present should be given moral precedence over the costs imposed upon prospective immigrants who are denied entry. Because prospective immigrants often have pressing interests in entering a country (even if their human rights are satisfactorily protected), however, there may be many cases in which the interests of those who want to enter would prevail over a native population's desire to avoid more costly political responsibilities (Kates and Pevnick 2014).

## 1.9 Realism

Though less popular than it once was, international relations was once dominated by realists who argued that political states are not constrained by morality in their dealings with foreign states and individuals. The basic idea motivating this approach was most often the Hobbesian presumption that morality consists solely of contracts which are binding only in the presence of a sovereign who could enforce them. And since there is no world sovereign capable of punishing states, the latter cannot be morally bound by any putative contracts which purport to apply to them. As a consequence, realists have traditionally supposed that states will and should orient their dealings with foreigners in whatever fashion maximally suits their national interests. And if this is correct, there can be no duties of any kind owed to foreign states or individuals, and thus no duty to open one's borders to foreigners.

Many are reluctant today to endorse realism, in part because they reject the Hobbesian approach to morality, but also because they believe that states can be held accountable even in the absence of a single, global sovereign. Given this, theorists typically feel no need to defeat the realist case for closed borders. It is worth noting, however, that the permissibility of closed borders does not automatically follow from realism, because (more) open borders may be in a country's national interest. It is not just

that any given country might stand to benefit in various ways from immigration, it may also be that a country's own citizens have rights which require the state's borders to be porous. If individuals have property rights which entitle them to invite foreigners onto their land or rights to freedom of association which entitle them to associate domestically with foreigners, for instance, then a country may well be duty-bound to allow open immigration *even if it owes no moral duties to outsiders*.

### 1.10 Indirect Cosmopolitanism

Because cosmopolitans value all people equally, they often argue in favor of (more) open borders. Given that the life of a Western European is no more valuable than that of a sub-Saharan African, for instance, how can we justify a geo-political arrangement in which people are effectively forced to remain in their country of birth when sorting humans according to this (morally arbitrary) criterion has such a profound effect upon their chances of living a minimally decent life? After all, it is a matter of brute luck where one is born, so neither the Europeans nor the Africans can plausibly be said to deserve their relatively good/bad life prospects.

It is important to recognize, however, that embracing cosmopolitanism does not necessarily require one to endorse open borders, because one might develop an 'indirect cosmopolitan' defense for protecting a state's right to exclude outsiders. Such an account might take any number of forms, but one particularly interesting version is to suggest that wealthy liberal democratic states must be allowed to exclude foreigners (for the time being, at least) so as to be better able (and more willing) to build the international institutions which are most likely to put the world's poor in a better position to live minimally decent lives (Christiano, 2008).

This approach begins with the plausible premise that people like those currently enduring absolute poverty in sub-Saharan Africa will likely

continue to be vulnerable to horrifically corrupt and incompetent domestic governance until the larger geo-political context is dramatically improved via the construction of international institutions, like the International Criminal Court. And if these international institutions are going to be created/reformed/made more effective in the foreseeable future, it will be predominantly by wealthy, liberal democracies. These states will be able and willing to undertake this task, however, only if their domestic economies, cultures and political environments are relatively safe and secure, and this requires that they be free from worries about massive unwanted immigration. Thus, for the indefinite future we should grant states the right to design and enforce their own immigration policies, not because the constituents of wealthy liberal democratic countries are necessarily morally entitled to their current high levels of wealth and security, but because denying states such a right will almost surely undermine the prospects that these regimes will be able and willing to construct the larger, international mechanisms which, in turn, will provide the best long term chances of substantially improving the lot of the world's poorest denizens.

An argument as elaborate as this one obviously depends upon a number of controversial premises about the best, most realistic way to help the world's poor and the likely future conduct of wealthy liberal democracies. It is also important to recognize that, even if each of these claims is accurate, this argument does not establish the type of conclusion that many defenders of closed borders might want. This is for two reasons. First, rather than establish a state's moral right to exclude outsiders, it would seem to show at most that we should treat states *as if* they had this moral right by, for instance, respecting their international legal right to design and enforce their own immigration policies. Second, this argument's conclusion would not hold indefinitely; rather, the argument would apply only until the desired international institutions were constructed. Once the geo-political environment was suitably repaired, this particular argument

would no longer provide any reasons to resist open borders. Of course, most cosmopolitans will regret neither of these features of this argument, but many who seek to defend a state's right to exclude outsiders may well be considerably less sanguine about such limitations.

## 2. Arguments for Open Borders

### 2.1 Cosmopolitan Egalitarianism

The cosmopolitan egalitarian case for open borders combines the core moral insight that all human beings, whether they are compatriots or foreigners, are equally deserving of moral consideration with the central empirical observation that one's country of birth often has a profound impact upon one's life prospects. The staggering levels of international inequality would not be so objectionable if the typical Swede had done something to deserve a better life than the typical Chadian, for instance, but the truth, of course, is that Swedes were merely lucky to have been born in Sweden rather than Chad. And given this, what justification could the Swedes have for putting guns at their borders to deter Chadians from trying to move north and take advantage of the preferable social, political and economic environment? In the eyes of cosmopolitan egalitarians, they have none. As Joseph Carens puts it, "Citizenship in Western liberal democracies is the modern equivalent to feudal privilege—an inherited status that greatly enhances one's life chances. Like feudal birthrights privileges, restrictive citizenship is hard to justify when one thinks about it closely." (Carens 1987: 252) In other words, egalitarians regard open borders as the requisite response to the enormous economic inequalities which currently exist between countries.

This case for open borders presumes a specific, highly contentious version of cosmopolitan egalitarianism. Thus, if one were not an egalitarian (or, more specifically, if one were not a so-called "luck" egalitarian who

believes that justice requires that we correct for all inequalities which stem merely from luck), or if one denied that egalitarian (or at least luck egalitarian) considerations extend beyond one's political borders, then one would be unmoved by this argument. More importantly, even if one accepts all of the cosmopolitan egalitarian's moral premises, it is not clear that the desired conclusion follows. This is because wealthy states seem to have other ways to fulfill their duties of distributive justice. Even if Sweden has demanding duties of distributive justice to Chad, for instance, why may Sweden not keep its borders closed as long as it transfers the requisite amount to Chad? That is certainly how we handle duties of distributive justice in the domestic realm. Consider Jeff Bezos, for instance. While there are various accounts of Bezos's duties to share his wealth with those who are less fortunate, no one supposes that he must remarry, adopt or otherwise open his family to a poor person. Rather, whatever he must transfer to others, everyone agrees that he can exclude others from his home life as long as he fulfills his duties of distributive justice. And if duties of distributive justice do not undermine an individual's right to freedom of association in the domestic realm, why need they do so for a state in the international arena? If Jeff Bezos need not open his home to those who are less fortunate, then why must Sweden welcome poor foreigners into their political community?

## 2.2 Libertarianism

When one thinks of the individual rights which conflict with a state's control over immigration, an outsider's right to freedom of movement is likely to come to mind. As Joseph Carens reminds us, though, the rights of insiders are also limited when the political community as a whole has dominion over immigration. As he explains, "Suppose a farmer from the United States wanted to hire workers from Mexico. The government would have no right to prohibit him from doing this. To prevent the Mexicans from coming would violate the rights of both the American

farmer and the Mexican workers to engage in voluntary transactions.” (Carens 1987: 253) Thus, a state’s exclusive immigration policy is doubly disrespectful of individual rights, because it interferes with both an outsider’s freedom of movement and an insider’s property right to unilaterally invite foreigners onto her land.

The libertarian is right to suggest that a state’s dominion over immigration is inconsistent with individuals having unlimited rights in this domain, but it is not clear why we should presume that the individual’s right must always prevail. Certainly the state’s right would be over-ridden if individual rights were always perfectly general and absolute, but this construal of moral rights is implausible. A person’s right to freedom of movement does not give her the right to enter my house without my permission, for instance, so why must we assume that it gives her a right to enter my country’s territory without first getting the permission of the political community as a whole? One could make a similar point about a property owner’s rights over her land. A property owner would have the right to unilaterally invite foreigners onto her land if property rights were general and absolute, but most eschew this account of property. Few would say that each property owner has a right to unilaterally enforce the criminal law on her own land, for instance, and if property owners must defer to the state as a whole when it comes to the enforcement of criminal law, why must it be any different for the immigration of foreigners?

### 2.3 Democracy

As was explained above, Phillip Cole has offered reasons to question the view that democratic governance depends upon there being closed borders. More recently, though, Arash Abizadeh (2008) has extended this reasoning to argue that democratic principles are actually incompatible with a state’s right to unilaterally exclude outsiders. As he puts it, “anyone who accepts a genuinely democratic theory of political legitimation

domestically is thereby committed to rejecting the unilateral domestic right to control and close the state's boundaries..." (Abizadeh 2008: 38) His argument involves two core premises, one moral and the second descriptive. The moral premise is his construal of the democratic justification thesis, which stipulates that a state's coercive presence is illegitimate unless it is democratically justified to everyone coerced. The second premise is merely the descriptive observation that a state coerces foreigners when it forcibly prevents unwelcome immigrants from entering the state's territory. In light of these two points, Abizadeh concludes that a state may not unilaterally exclude outsiders; it can permissibly adopt an exclusive immigration policy only if it democratically justifies this practice to outsiders. In other words, it would be impermissible for a state to forcibly restrict outsiders without first giving these outsiders a vote in the referendum which decided whether or not to adopt this restrictive immigration policy.

Corresponding to the two central premises, there are two ways to contest this line of reasoning. First and most obviously, one might follow David Miller's lead and deny that forcibly restricting immigration actually coerces outsiders in the morally relevant sense (Miller 2010). Even if one concedes that potential immigrants are coerced, though, one might doubt that coercion cannot be permissible in the absence of democratic justification. To appreciate the appeal of this second strategy, imagine that two criminals want to enter my house and help themselves to my copy of Michael Walzer's *Spheres of Justice*. It seems crazy to think that I may not take proportionate steps to coercively repel them without first putting my planned resistance up to a vote among the three of us. And if I do not need to democratically justify my coercively protecting my right to keep strangers out of my house, why think that a state must democratically justify its attempts to keep uninvited foreigners out of its political community? Of course, a defender of this type of democratic case for open borders might counter that, unlike a legitimate owner of private property,

the constituents of a state have no dominion over the state's territory, but this response would be available only if it could be shown that a state's constituents lack the relevant moral standing over the political territory in question.

## 2.4 Utilitarianism

Finally, the utilitarian case for open borders stresses that restricting freedom of movement leads to obvious inefficiencies and is therefore impermissible. There are any number of ways in which it is suboptimal to forcibly restrain people within territorial boundaries, but one of the most obvious worries is that it is economically inefficient. Restricting Mexicans from fully developing and capitalizing upon their talents in the United States economy, for instance, makes no more sense than relegating men and women into separate spheres. Just as a system in which only men may be doctors and only women may work as nurses unjustifiably deprives the world of countless excellent female doctors and male nurses, a geo-political system in which countries are entitled to exclude outsiders regrettably fails to capitalize upon the talents and work ethic of foreigners who are denied access to the world's most robust labor markets. Given this, it seems reasonable to believe that people would on average be much better off if there were no restrictions on immigration.

This argument can be contested on either empirical or moral grounds. For instance, without questioning whether restricting immigration is in some ways inefficient, one might still defend the merits of dividing the globe into separate states, each of which has sovereign control over its territory. This view seems plausible if the advantages to such a state system outweigh the inefficiencies in question. For instance, David Miller (2005) argues that restrictions on immigration improve our ability effectively to address population control. As Miller recognizes, we will make progress in this regard only if leaders in countries like India and China are able and



willing to enact the relatively unpopular laws necessary to limit population growth. And these laws would be met with much more resistance than they already are if there were no restrictions on migration, because the costs of population growth would not be wholly internalized. If a country's exploding population were free to move anywhere in the world, for instance, then its citizens would not bear the full costs of population growth and would therefore be that much more resistant to laws designed to limit the number of children born. If Miller is right, the advantages of restricting immigration may more than compensate for the costs involved.

For the sake of argument, though, let us suppose that the gains of open borders would be greater than the costs. Even so, it is not clear that the utilitarian case for open borders is decisive, since, as a moral matter, it may be that states have the right to organize their affairs in a suboptimal fashion. Most believe that parents would retain the right to raise their natural children in exclusive, nuclear families even if Plato were right that it would be preferable if a community's children were raised together by the community as a whole. And if we think, contra utilitarianism, that individuals are entitled to arrange their lives in suboptimal ways in the domestic sphere, why presume that political states lack the analogous right to organize themselves as they see fit in the geo-political context? Even if it were true that Norway and the European Union would be better off if the former joined this regional body as a full member, for instance, it seems to many that Norway should have the right to refrain from joining this Union. And if Norway has the right to (inefficiently) refuse to associate fully with the European Union, it might also be entitled to (inefficiently) refuse to associate with various individuals who would like to join Norway's political community.

### 3. Applied Questions in Immigration

As the preceding discussion shows, there are a variety of promising arguments in favor of a state's right to control immigration and many strong considerations which suggest that countries are obligated to maintain open borders. While some arguments are more popular than others, critical questions can be raised about each of them. Rather than try to decisively defend either side here, let us conclude by briefly surveying some of the more engaging applied issues related to the morality of immigration. These include the definition and moral claims of refugees, the conditions under which one may hire guest workers, the permissibility of recruiting skilled professionals from poor countries where individuals with these talents are already in short supply, the rights of irregular migrants, and what kinds of selection criteria a country may use to distinguish among applicants for immigration

#### 3.1 Refugees

The 1951 Convention Relating to the Status of Refugees defines a refugee as someone who “owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion, is outside the country of his nationality, and is unable to or, owing to such fear, is unwilling to avail himself of the protection of that country.” (Article 1A[2]) Critics like Andrew Shacknove (1985) have questioned this definition on at least three grounds. First, why focus exclusively on victims of group-based persecution? And even if we do think in terms of groups, why restrict ourselves to these particular groups? What if someone is persecuted *qua* woman or *qua* homosexual, for instance? Second, given the variety of threats to living a minimally decent human life, why insist that only those vulnerable to persecution can qualify as refugees? What about so-called “economic refugees” or people fleeing a civil war, for instance? Third, why stipulate that someone who is

not “outside the country of his nationality” cannot be a refugee? What if an individual is being detained at the border or simply lacks the means to migrate without assistance, for example?

Shacknove speculates that this narrow understanding of refugees is likely the consequence of real-world political pressures from leaders who are wary of the international legal obligations that would follow from a more expansive definition. As he puts it, “...states reason in reverse from their fear that they will be forced to shoulder the burden of assisting refugees unilaterally to a narrow conception of refugeehood which limits the number of claimants.” (Shacknove 1985: 277) Whether one accepts the international legal definition or lobbies on behalf of a more expansive conception, however, there is broad-based support for the view that refugees constitute a special category of potential immigrants who possess particularly urgent claims to admittance. Thus, while theorists may vehemently disagree as to whether a country has a right to design and enforce its own immigration policies, even those who affirm a state’s general right to exclude foreigners typically make an exception in the case of refugees. It is one thing for the United States to refuse to admit a Russian ballerina who would like to study and perform in New York, for instance, but is another thing altogether for it to turn away a political dissident who rightly fears persecution by the oppressive regime in her home state. In the latter case, the dire nature of the refugee’s circumstances are thought to give her a pressing claim which trumps whatever presumptive right a state generally has to reject hopeful immigrants. More recently, however, some have come to question this line of thinking. Few suggest that a state has no duties to imperiled foreigners, but theorists increasingly question whether a state’s duty to assist refugees must come in the form of admitting them. Consider the Kurds in Northern Iraq, for instance. Given the abuses they suffered under Saddam Hussein’s rule, many would argue they should have qualified as refugees. One way to offer assistance would have been to provide them refuge in various

foreign countries. But as history shows, this was not the only way to help. Another option was to protect the Kurds where they lived, by securing a safe-haven fortified by a no-fly zone in Northern Iraq. (A third possible option might be for rich countries to pay poorer countries to admit the refugees.) Of course, for a variety of reasons, countries might prefer not to intervene in the affairs of a foreign state, but the important point is the more general lesson that, even if we take for granted that stable, wealthy countries can have stringent duties to refugees, it does not follow that these duties must be paid in the currency of open borders.

### 3.2 Guest Workers

The classic analysis of guest workers is Michael Walzer's discussion of Western European countries' former practice of hiring laborers from nearby states such as Turkey. This practice was a sensible solution for all, since it enabled a country like West Germany to hire foreign workers to do various relatively onerous jobs for considerably less than it would have had to pay its domestic labor force, and the imported laborers also profited, as they were able to earn considerably more than they could have in their own countries. Walzer objects to this practice, however, because these workers were not given equal political status in their host countries. Even when Turkish workers lived in West Germany with their families for many years, for instance, they would have no chance of acquiring German citizenship. For understandable reasons, Walzer is deeply troubled by the creation of this political underclass. As he puts it, "These guests experience the state as a pervasive and frightening power that shapes their lives and regulates their every move—and never asks for their opinion. Departure is only a formal option; deportation, a continuous practical threat. As a group, they constitute a disenfranchised class. They are typically exploited or oppressed as a class as well, and they are exploited or oppressed at least in part because they are disenfranchised, incapable of organizing effectively for self-defense." (Walzer 1983: 59) As a

consequence, Walzer insists that, while countries are perfectly within their rights to either hire or exclude foreign workers, they are not free to bring in outsiders without according them all the standard rights and privileges of equal citizenship. Thus, if a country is willing to embrace foreign workers as political equals, it may invite in as many as it would like. If a political community is unwilling to treat guest workers as equals, on the other hand, then it may not hire them and must pay the higher wages demanded by the domestic labor market.

Political theorists typically take for granted that states must treat all of their constituents as free and equal, so it is no wonder that so many are attracted to Walzer's analysis of guest workers. (And it should be noted that countries like Germany have since dramatically revised their guest worker policies, so that they are now much more in accord with Walzer's recommendations.) Still, at least two big questions present themselves. First, even if we assume that Walzer is correct that long-term visitors like those employed in Western European countries must eventually be given the opportunity to become citizens, it does not follow that all guest workers must be treated as equal citizens. What if Walzer were to spend a year as a Visiting Professor at the Sorbonne, for example? Would this arrangement be morally impermissible if the offer did not give Walzer full voting rights in France for that year? Presumably not. If so, then there are interesting and difficult questions about how long and under what conditions one can work in a foreign country without the standard rights and privileges of equal citizenship before one becomes objectionably treated as a political subordinate.

Second and more important, even if we presume that political states must *generally* treat their constituents as free and equal citizens, it is controversial whether this requirement should apply in the case of guest workers. Because most accept the principle of *volenti non fit injuria*, it is typically presumed that a relationship among unequals need not be unjust,

especially if both parties freely consent to the relationship. There need not be anything unjust about an arrangement in which an employee has a much less desirable set of powers, privileges and responsibilities than her employer, for instance, as long as the employee freely and with full information accepted these terms of employment. Of course, political states are still required to treat their constituents as free and equal citizens precisely because the *volenti* principle is generally irrelevant to relations among compatriots. In other words, states coerce all those within their territorial boundaries whether or not these constituents have consented to this imposition; and, given this, they cannot invoke *volenti* and thus have no choice but to treat everyone coerced as equals. Importantly, though, guest workers are an exception to this general rule precisely because they *do* give their consent to the relationship. Unlike most of the state's constituents, guest workers are not coerced by the adoptive state unless they decide that they would like to accept the terms of employment and move to the new country. As a consequence, it is not clear that the *volenti* principle should not apply in the case of guest workers.

### 3.3 Recruiting Immigrants

The vast bulk of the discussion concerning the morality of immigration concerns the exclusion of outsiders, but some also worry about the way in which wealthy countries currently admit skilled workers from poorer states, especially when the specialists are actively recruited away from their native lands. This practice would not garner the attention of moral theorists if it were restricted to countries like the United States targeting the most talented long-distance runners from Kenya, for instance, but it is thought to rise to the level of injustice when the wealthiest countries actively recruit professionals from developing countries where people with their skill sets are already in terribly short supply. Perhaps the most noteworthy and worrisome instance of this is the manner in which wealthy, western states actively recruit medical professionals away from

Africa. As Gillian Brock comments, “Arguably, it is not the total number of health care professionals that exist in the world today that is a problem, but rather their distribution. Consider how, for instance, while only 21 per cent of the world’s population resides in Europe and North America, it commands 45 per cent of the world’s doctors and 61 of its nurses. Africa, which contains 13 per cent of the world’s population, has only 3 per cent of its doctors and 5 per cent of its nurses. An estimated 1.3 per cent of the world’s health care workers provide services to 13.8 per cent of the world’s population in a region suffering 25 per cent of the world’s disease burden.” (Brock 2009: 200)

Given both the relative shortage of health care professionals in Africa and the fact that many posit a human right to a decent minimum level of health care, the recruitment (if not the mere admission) of doctors and nurses from developing countries would seem to raise human rights issues. An obvious response, then, would be to issue a blanket prohibition on the emigration of health care professionals from countries where they are in desperately short supply. This extreme measure strikes many as problematic, though, for the way in which it curtails the individual liberty of the skilled workers in the poor countries. A more subtle response, then, would be to insist only that the adoptive countries provide adequate compensation to the states from which the talented individuals emigrate. Thus, just as those who worry about deforestation urge that all those who chop down mature trees should be held responsible for planting even more young trees in their place, authors like Brock (2009) suggest that it would not be too much to ask those countries who admit skilled workers from countries where they are already in short supply to provide compensatory resources which will assist these poor countries in their future efforts to train and retain the next generation of such professionals.

### 3.4 Irregular Migrants

Following Joseph Carens (2013), I call those who have settled in a foreign country without authorization (who some label “undocumented” or “illegal” immigrants) *irregular* migrants. Irregular migrants pose vexing moral questions even for those who are convinced that states have the right to control immigration, because many believe that over time an irregular migrant can gradually acquire a moral right to stay (and perhaps even to full and equal citizenship), despite the fact that she had no right to migrate without authorization in the first place. Carens articulates this sentiment nicely when he writes:

The moral right of states to apprehend and deport irregular migrants erodes with the passage of time. As irregular migrants become more and more settled, their membership in society grows in moral importance, and the fact that they have settled without authorization becomes correspondingly less relevant. At some point a threshold is crossed, and they acquire a moral claim to have their actual social membership legally recognized. They should acquire a legal right of permanent residence and all the rights that go with that, including eventual access to citizenship. (Carens 2013: 150)

Given the psychological importance of social membership and the fact that (authorized or not) a migrant will typically become deeply socially imbedded in her new society after a prolonged period, the appeal of this judgment is easy to appreciate. Critics might counter, however, that this account wrongly presumes that psychological attachment is sufficient to generate moral entitlement. To see why one might doubt this, imagine that I grow incredibly attached to the Mona Lisa during the ten years that it takes for the authorities to discover that I am the one who stole it from the Louvre. No matter how attached I become to the painting (and regardless



of how psychologically difficult it will be for me to find happiness in my new life without it), most would presumably deny that I have therefore acquired a right to retain the stolen painting. And given that we are so resistant to suppose that the right of authorities to reclaim the Mona Lisa and return it to the Louvre erodes with the passage of time, perhaps we should similarly be suspicious of the notion that the “moral right of states to apprehend and deport irregular migrants erodes with the passage of time” (as in the quote from Carens above).

One exception to this line of thought may be the children of irregular migrants who were brought to the new country at a very young age. After all, because they had no choice in their migration, they have no culpability which needs to erode over time. Critics have room to resist even this case, however, because the crucial issue is *entitlement*, not *culpability*. Suppose that I pass the Mona Lisa on to my son, Jackson (who has no idea that I stole it), and that he becomes incredibly attached to it over the course of several years. Despite the twin facts that (1) Jackson is in no way culpable for possessing the Mona Lisa and (2) he has gradually become very attached to it, he does not seem entitled to keep the painting. And if we think the authorities would violate none of Jackson’s rights if they took the Mona Lisa from him and returned it to the Louvre, then why think that the authorities would violate the rights of an irregular migrant who at a young age had settled without authorization in a foreign country with her parents? Just as Jackson should not be punished for his possession of the painting, the child should clearly not be punished for having entered a foreign country without authorization. But Jackson’s right against being punished is distinct from his right to retain the Mona Lisa, and the child’s right not to be punished for her family’s migration is distinct from her right to remain in the new country. These objections do not show that irregular migrants do not gradually acquire a right to stay, but they do suggest that advocates of this position who also believe in the state’s right

to control immigration must do more than merely point to the psychological costs to those who might be deported.

### 3.5 Selection Criteria

Finally, one of the most complex and controversial issues within the literature on the morality of immigration is what criteria a state may permissibly employ to distinguish among applicants for admission. Countries might use either a lottery or a first-come, first-admitted waitlist, but they might also screen the applicants and give preference to those whose language, culture and/or skill sets make them most likely to assimilate in the host state's economy and political culture. But what if a country's immigration policies differentiate among applicants on the basis of race, ethnicity, gender, religion or country of origin? What if a country flatly refused to even consider applications for immigration from Asians or Africans, for instance?

As with so many issues in this area, Walzer's (1983) treatment of this question is seminal. In this case, though, many have recoiled at his conclusions. To see why, consider his take on "White Australia," Australia's erstwhile practice of recruiting immigration from England while explicitly prohibiting immigration from non-European countries. Walzer writes, "Assuming, then, that there actually is superfluous land, the claim of necessity would force a political community like that of White Australia to confront a radical choice. Its members could yield land for the sake of homogeneity, or they could give up homogeneity (agree to the creation of a multiracial society) for the sake of the land. And those would be their only two choices. White Australia could survive only as Little Australia." (Walzer 1983: 47) Walzer may well be right that Australia had a duty to share its vast land with those who needed it, but it is striking that he had no principled objection aimed specifically at Australia's racism. If

Australia did not have so much territory, then Walzer apparently would not object to their excluding immigrants on the basis of their race or ethnicity.

A number of critics agree that Walzer's analysis is misguided, but there has been no consensus as to precisely where and why it goes off the tracks. Consider, for instance, the conflicting accounts offered by David Miller, Joseph Carens and Michael Blake. Miller's take is interesting, because he accepts Walzer's arguments and conclusion that political communities enjoy a general right to design and enforce their own immigration policies. Unlike Walzer, though, Miller stops short of concluding that states can exclude potential immigrants on whatever grounds they like. As he puts it,

I have tried to hold a balance between the interest that migrants have in entering the country they want to live in, and the interest that political communities have in determining their own character. Although the first of these interests is not strong enough to justify a right of migration, it is still substantial, and so the immigrants who are refused entry are owed an explanation. To be told that they belong to the wrong race, or sex (or have the wrong color) is insulting, given that these features do not connect to anything of real significance to the society they want to join. Even tennis clubs are not entitled to discriminate among applicants on grounds such as these. (Miller 2014: 373–374)

Miller's analysis will be attractive to many, but some may worry that it is too quick. What would we say about a white woman who refused to even consider marrying someone outside of her race, for instance? We might well condemn her racism as deplorable, and we should not be the least bit surprised if non-whites were sorely offended by her attitudes, but presumably we would stop short of saying that she had a duty to marry a black person. And if a white person is within her rights to refuse to marry anyone who is not white, then why is a predominantly white political

community not equally entitled to reject potential immigrants on the basis of their race?

Joseph Carens offers an answer to this question by invoking the standard distinction between public and private spheres. He writes, “There is a deep tension between the right of freedom of association and the right to equal treatment. One way to address this tension is to say that in the private sphere freedom of association prevails and in the public sphere equal treatment does. You can pick your friends on the basis of whatever criteria you wish, but in selecting people for offices you must treat all candidates fairly.... So, the fact that private clubs may admit or exclude whomever they choose says nothing about the appropriate admission standards for states. When the state acts it must treat individuals equally.” (Carens 1987: 267–8) This answer is promising, but even if one is generally sympathetic to the public/private distinction, it is not obvious that it applies to admissions *into* a country in the same way that it applies to decisions regarding those already *within* this state. This is because, many presume that in order to be legitimate, states must treat all of their constituents as free and equal, and one way to pursue this freedom and equality is to ensure that individuals are not excluded from various spheres of power and prestige on the basis of their membership in historically disadvantaged groups. But because states need not ensure that their constituents are free and equal to all outsiders, it does not have the same reason to protect against foreigners being excluded on the basis of characteristics that would rightly be ruled out if used by public groups within the state.

Finally, Michael Blake (2003) has offered an account which promises to avoid all of these pitfalls. His view is striking because it explains the impermissibility of excluding outsiders on the basis of racist criteria in terms of how it mistreats insiders. If Australia refuses to allow Asians to enter the country, for instance, then this is an affront to all Asian Australians who are thereby treated as second class citizens. As he says,

“To identify the purpose of the state with the preservation of a cultural group is inevitably to draw an invidious distinction against those citizens who do not happen to belong to that community. In all cases in which there are national or ethnic minorities—which is to say, the vast majority of actual cases—to restrict immigration for national or ethnic reasons is to make some citizens politically inferior to others.... Seeking to eliminate the presence of a given group from your society by selective immigration is insulting to the members of that group already present.” (Blake 2003: 232–3) Thus, Blake is able to explain what is objectionable about racist selection criteria by invoking the requirement that states treat all of their own constituents as free and equal, since these criteria clearly treat those insiders in the dispreferred group as inferior and subordinate.

Blake’s account has much to offer, but it has at least one major drawback: it appears unable to explain the impermissibility of a racially or culturally homogenous political community excluding potential immigrants on the basis of their race or culture. If Australia had no Asian citizens, for instance, then there would be no insiders who would be wronged by a policy excluding Asian immigrants, and thus Blake’s argument would provide us with no grounds to criticize it.

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SESSION 2

# Cultural Considerations



Chapter 3: The Social  
Consequences

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## CHAPTER 3

### The Social Consequences

IN THIS PART I AM GOING TO ADDRESS the question of how future migration might affect the indigenous populations of host societies. The key word in that sentence is “future.” I am not primarily interested in the question “Have the consequences of migration been bad or good?” If pressed for an answer, I would come down on the side of “good,” but it is not the pertinent question. Imagine, for a moment, the improbable: a consensus that the right answer is “bad.” Even in that eventuality no sane person would advocate that migrants and their descendants should be repatriated. In modern high-income societies mass expulsions are unthinkable. So although “Have the consequences of migration been bad or good?” is concrete and entirely meaningful, it is as irrelevant as asking, “Should you have been born?” The question I am ultimately going to address is hypothetical: if migration were substantially to increase, how would it affect host populations? As I showed in chapter 2, migration accelerates unless subject to effective controls,

so although this question is hypothetical, it is pertinent. To orientate your thinking, my approximate answer is going to be that the effects of migration follow an inverse-U shape, with gains from moderate migration and losses from high migration. The important issue is therefore not bad or good but “How much is best?” In turn, I will argue that the answer to “How much?” hinges upon how rapidly migrants merge with the indigenous society.

Since this part is about the effects on host populations, I should admit that some economists think that it is invalid even to pose the question, let alone to try to answer it. The most common ethical framework used in economics is utilitarian—“the greatest happiness of the greatest number.” Applied to global issues like migration, it leads to a simple and striking answer: what happens to the indigenous populations of host countries is of no consequence as long as overall there are global gains from migration. Although this moral compass—utilitarian universalist—is standard in economic analysis, it bears little relationship to how most people think. I will turn to this later in the book. Another objection to posing the question, advanced by Michael Clemens, a prominent economic advocate for increased migration, is to say, “Who is ‘us’?”<sup>1</sup> He argues that viewed from the perspective of some future century, “us” will be the descendants of both those who are currently indigenous and immigrants. For him the pertinent question is whether immigration produces long-term benefits to these descendants. As you will see, I think that such imagined futures can be helpful. But in this instance the argument smacks of a sleight of hand. To see the limitations of an argument, it sometimes helps to guy it to an extreme. Suppose, entirely hypothetically, that mass immigration led to the exodus of most of the indigenous population, but that the remainder intermarried with immigrants and their joint descendants ended up better off. Knowing this *ex ante*, the indigenous population might

reasonably determine that mass immigration was not in its interest. Whether it would then be legitimate for this perceived self-interest to translate into restrictions on entry would depend upon whether freedom of movement is a global right.

A related argument is that all indigenous populations are themselves mongrels, the result of previous waves of immigration. The extent to which this is the case varies considerably between societies. It is most obviously the case in the countries of nineteenth-century immigration: North America and Australasia. Since Britain is an island, it is evident that all indigenous people are at some point descendants of immigrants, but until the mid-twentieth century the population had been remarkably stable. Recent advances in the study of DNA have enabled genetic descent to be established for each gender: son-father-grandfather and so on back in time; and daughter-mother-grandmother and beyond. Astonishingly, around 70 percent of the current population of Britain are directly descended in this way from the people who inhabited Britain in pre-Neolithic times: earlier than 4,000 B.C.<sup>2</sup> Since then Britain has periodically been enriched by waves of immigration. Neolithic culture and technology were most likely introduced by immigrants. The descendants of Anglo-Saxon and Norman immigrants between them forged the English language, its multicultural origins accounting for its incomparable richness of vocabulary. Huguenot and Jewish immigrants were important stimuli to commerce. But these migrations, stretching over a six-thousand-year period, were in total evidently quite modest. Stability has an implication: over such a long time span, repeated intermarriage results in a pattern in which anyone from the distant past who has descendants alive today is likely to be an ancestor of the entire indigenous population. In this sense the indigenous population literally shares a common history: both the kings and queens and their serfs are our



common ancestors. I doubt that Britain is exceptional in this respect. But for the moment the issue is whether the fact that indigenous populations are themselves descended from immigrants in the very distant past erases the right to restrict immigration. Those who have had the good fortune to ascend a ladder should not haul it up after them. But whether this is an appropriate analogy for migration depends upon context. The pre-Neolithic people who came to Britain were settling an unpopulated territory, just as with first settlement elsewhere in the world. They were not taking advantage of an income gap between established societies such as motivates present-day migrants. Indeed, for thousands of years after first settlement Europe was no more prosperous than other parts of the world. The initial settlers were not climbing a ladder, so their descendants cannot be hauling one up.

But for now I ask you to park the issue of whether controls on migration are unethical. Whether or not host populations have the moral right to manage migration in their own interests, they currently have the legal right to do so. Since scarcely any governments claim the legal right to restrict exit, all controls on global migration flows are ultimately set by the perceived interests of host populations. However, although the high-income countries are democracies, their migration policies have often not reflected the views of the indigenous electorate. For example, in Britain 59 percent of the population (which includes immigrants) consider that there are already “too many” immigrants. Nevertheless, in the long term, in a democracy indigenous populations are going to permit migration only to the extent that they perceive themselves to benefit.

So, without more ado, what are the effects of migration on indigenous populations, and how might these effects differ according to its scale? Fortunately, there has been considerable recent research. As an economist I naturally first explored those effects that are

economic. However, I came to realize that on this issue the economic effects are unlikely to be decisive. Despite the polemical claims on both sides of the immigration debate, the evidence suggests that the net effects are usually likely to be small. For most societies migration policies should not be determined on the basis of the economic effects. So I am going to put the social effects ahead of the economic effects and then try to assess them in combination.

### Mutual Regard

The social consequences of migration depend upon how immigrants relate to their host societies. At one extreme they are treated purely as workers and are not permitted to enter the society on any other basis. A few host societies adopt this approach, and for them the effects are indeed purely economic. But in most countries immigrants become part of the society, as opposed to merely members of its labor force, and so engage with other people in a variety of ways. Migrants increase the diversity of society. In some respects this is beneficial: greater diversity brings greater variety and so brings stimulus and choice. But diversity also brings problems. This is because in a modern economy well-being is greatly enhanced by what might be described as mutual regard.

By mutual regard I mean something stronger than mutual respect. I mean something akin to sympathy or benign fellow-feeling. Mutual *respect* may be fulfilled by everyone keeping a respectful distance from others—the noninterference of the “Don’t dis me” society. In contrast, mutual *regard* supports two types of behavior that are fundamental to successful societies.

One is the willingness of the successful to finance transfers to the less successful. Although such transfers have become heavily politicized and dressed up as a conflict between ideologies of libertarianism

and socialism, they are more truly rooted in how people regard each other. By this I do not mean how the welfare of other people anywhere on earth should be counted, as in the universalist version of utilitarianism common in economics, but how we regard other members of our own society, and by extension, how we define the limits of what we recognize as the society to which we belong. Mutual regard, or sympathy, gives rise to feelings of loyalty and solidarity for those fellow members of our community who are less fortunate.

The other key way in which mutual regard affects economic outcomes is through cooperation. By cooperating, people are able to provide public goods that would otherwise not be well supplied by a purely market process. Cooperation is enhanced by trust but, to be other than quixotic, trust must be underpinned by a reasonable presumption that it will be reciprocated. The bedrock of rational trust is knowledge that the society is characterized by mutual regard: because people have some sympathy for each other, it is sensible to presume that a cooperative action will be reciprocated.

These cooperative outcomes tend to be fragile. The most popular public institution in Britain is the National Health Service. Ostensibly the NHS requires a willingness to make transfers through taxation rather than cooperation, but in fact it needs both. One unwritten convention has been the willingness to be forbearing in the face of minor errors. This convention has recently eroded so that a growing proportion of the NHS budget is being eaten up by compensation claims. Once claims become common, it would be quixotic for people who suffer mistakes not to seek money in return. But inevitably, this reduces the quality of care that can be financed. A further consequence is that the NHS is now less willing to admit, and therefore learn from, its mistakes. The replacement of forbearance by lawsuits is an instance of the collapse of a fragile cooperative equilibrium.

The trade-off between the benefits of greater variety and the costs of reduced mutual regard has to be navigated by each society. But one principle is reasonably clear. The gains from greater variety are subject to diminishing returns: that is, like most aspects of consumption, each extra unit confers fewer extra benefits. In contrast, beyond some unknowable point the losses from reduced mutual regard are liable to increase sharply as thresholds are crossed at which cooperation becomes unstable. Cooperation games are fragile because if pushed too far they collapse. In fancier language, equilibrium is only *locally* stable. So moderate migration is liable to confer overall social benefits, whereas sustained rapid migration would risk substantial costs. The rest of this chapter substantiates those potential risks.

### Mutual Regard: Trust and Cooperation

Through research in experimental economics we now understand what enables cooperative outcomes to persist. In a sense successful cooperation is a minor miracle, because if almost everyone else is cooperating, whatever the objective will be achieved even if I don't help: so why should I incur the costs of helping? In the vicinity of the fully cooperative outcome, each individual has a strong incentive to free ride, so cooperation should usually be unstable. The persistence of cooperation turns out to depend on more than just widespread benevolence. The vital ingredient is that there should also be sufficient people who go the extra mile. That extra mile is punishing those who do not cooperate. In most modern societies people have become increasingly reluctant to be judgmental about the behavior of others. But the comforting face of benevolence is dependent upon a tough-minded and judgmental minority. Punishment is costly, so people will only be prepared to do it if they



have sufficiently internalized not just benevolence, but moral outrage at those who free ride. Cooperative outcomes are fragile because if enough people back away from punishment, then non-cooperation becomes the rational strategy. The role of hero performed by the people who punish noncooperation in turn creates the possibility of ultimate villains. The minor villains are the people who do not cooperate, but the supervillains are people who punish the heroes. Again, since punishment is costly, systematically to get satisfaction from punishing the heroes can only arise if some people feel moral outrage not against the people who undermine cooperation, but against the people who try to enforce it. Why might some people have such dysfunctional moral codes? Conceivably, some people might be ideologically opposed to cooperation, believing that the individual is all, so that those who try to enforce cooperation are enemies of freedom. But the more pertinent possibility is that some people regard being punished as an assault on their honor, even if they are guilty as charged. By extension, some people might feel an overriding personal loyalty to others even if they free ride and then are outraged by those who punish them for doing so.

Trust and cooperation do not arise naturally. They are not primordial attributes of the "noble savage" that get undermined by civilization: Jean-Jacques Rousseau was spectacularly wrong. The evidence suggests precisely the opposite: trust and cooperation beyond the family are acquired as part of the functional attitudes that accumulate in a modern prosperous society. One reason that poor societies are poor is that they lack these attitudes. Two brilliant new studies of Africa illustrate how a lack of trust has been perpetuated. One draws on the painstaking reconstruction of Africa's deep past that historians have achieved over recent decades. Cumulatively, historians have now recorded over eighty violent intergroup conflicts that occurred prior to 1600. Timothy Besley

and Marta Reynal-Querol thought to code all these conflicts by their spatial coordinates and investigate whether they were correlated with modern conflicts.<sup>3</sup> The correlation turned out to be remarkably strong: the violence of over four hundred years ago proved to be disturbingly persistent today. So by what mechanism has this persistence occurred? The researchers suggest that the transmission mechanism is the lack of trust created by violence that echoes down the decades. Noncooperation can be reinforced by its own moral code of honor: the vendetta, in which wrongs are repaid with wrongs. Vendettas are a normal aspect of clan-based societies. Historically, clans have been the most common basis for social organization, and in many poor countries they continue to be so.<sup>4</sup> As Steven Pinker shows, vendettas are reinforced because wrongs are systematically exaggerated by victims and minimized by perpetrators, so that the retaliation regarded as justified by victims of the initial wrong creates a fresh wrong in the eyes of the new victims.<sup>5</sup> Vendettas only end once the entire moral code of honor is abandoned. A classic instance of such a transition is the demise of dueling in western Europe during the nineteenth century: it was ended by a cultural revolution that made it look ridiculous.

The other new study of Africa looks at the legacy of the slave trade. Whereas intertribal conflict leads to a collapse of trust *between* groups, the slave trade destroyed trust *within* them: often people sold their own family members to traders. Nathan Nunn and Leonard Wantchekon show how the intensity of the slave trade several centuries ago maps into reduced per capita income today.<sup>6</sup> The transmission route was again the persistence of a lack of trust.

Among the societies with which I am familiar, the one with the lowest level of trust is Nigeria. I find Nigeria exhilarating and vibrant: people are engaged and witty. But Nigerians radically, deeply, do not trust each other. Opportunism is the result of decades, probably

centuries, in which trust would have been quixotic, and it is now ingrained in ordinary behavior. Nor is opportunism a reflection of poverty: in Nigeria I typically stay at good hotels where none of the occupants can be poor. My room routinely includes the notice "Honoured guest, before your departure all the contents of this room will be checked against our inventory": the hotel has learned that otherwise its honored guests would run off with the contents. A more serious aspect of the society's opportunism is that it is not possible for Nigerians to get life insurance. This is because, given the opportunism of the relevant professions, a death certificate can be purchased without the inconvenience of dying. For a while this made it very attractive for those Nigerians who valued a large windfall more than a troubled conscience to take out life insurance policies. But as the numbers mounted, the fragile convention on which life insurance rests broke down. Clearly, the root of the problem here was the failure of doctors to internalize professional norms.

If the level of trust differs markedly between societies, the tactics people adopt in games that require cooperation will also differ. This has indeed recently been tested through experimental games.<sup>7</sup> A team of researchers arranged for the same game to be played under standard laboratory conditions by university students in sixteen countries. They found that in some societies supervillains were ruinously numerous. If heroes punished another player for free riding, the outraged response was to punish the heroes. The researchers then investigated whether these differences in behavior were related systematically to observable characteristics of the countries in which the students lived. Directly, the differences in behavior were related to differences in social capital, in other words to trust. But these in turn could be related to differences in the rule of law. In countries where the rule of law was weak, people were

opportunistic and so untrusting, and were inclined to be supervillains in cooperation games. I suspect that these differences in the rule of law can be traced yet further back to the difference between moralities based on loyalty to the honor of the clan, and moralities based on the Enlightenment concept of good citizenship. Supervillains should have a bad conscience according to the standards of the Enlightenment, but they are behaving morally according to the precepts of loyalty to the clan. Note that this does not exonerate supervillains. Moral relativism hits the buffers of an economic absolute: trust is conducive to the social cooperation that is valuable for prosperity.

### The Cultures of Migrants

So mutual regard, trust, and moral outrage against those who free ride all support an equitable and cooperative society. How does this relate to migration? Migrants bring not only the human capital generated in their own societies; they also bring the moral codes of their own societies. Thus, unsurprisingly, Nigerian immigrants to other societies tend to be untrusting and opportunistic. In a classic study of differences in cultural attitudes, Ray Fisman and Edward Miguel compared the payment of parking fines by diplomats in New York.<sup>8</sup> During the key period, diplomats had legal immunity from fines, and so the only restraint on a refusal to pay was their own ethical standards. Fisman and Miguel found that the behavior of diplomats from different countries varied enormously but was well explained by the corruption level prevailing in the country of the diplomat, as measured by standard surveys. Diplomats brought their culture with them. The study also investigated whether, through exposure to New York, diplomats gradually absorbed local standards of behavior: in this case, the incidence of nonpayment would gradually



converge on the very low levels already prevalent among diplomats from the low-corruption countries. Instead, the opposite happened: diplomats from high-corruption countries continued not to pay fines, whereas those from low-corruption countries became less likely to pay. The most reasonable interpretation of these results is that diplomats did not absorb the norms of New Yorkers, but instead began to absorb the norms of the diplomatic community. Not only do attitudes to parking fines reflect the culture of origin, but so do attitudes toward social redistribution. Geert Hofstede has attempted to measure a wide array of cultural differences between countries systematically.<sup>9</sup> His measures correlate with reasonably well-measured differences in observable behavior such as the murder rate. So, uncomfortable as it may be, there are large cultural differences that map into important aspects of social behavior, and migrants bring their culture with them.

People in all societies manage mutual regard for their families, and usually also for their local communities, but the distinctive feature of the high-income societies is that mutual regard embraces a much larger group of people, namely fellow citizens. Thus for example, the French are more willing to cooperate with each other and to make transfers to other citizens than are Nigerians, and this supports a range of institutions and norms that have enabled France to become much richer and more equal than Nigeria. Such differences in mutual regard are not genetic: in the distant past France used to be like Nigeria. But France has benefited from a succession of intellectual revolutions that have gradually reconfigured how people perceive each other.

The effect of immigration then depends partly on its scale and partly on the speed with which immigrants adjust to the trust norms of their host society. Do Nigerian doctors practicing in Britain adopt the norms of indigenous doctors, do they remain a

self-referential group like diplomats, or, in extremis, does a sufficiently large influx of Nigerian doctors retaining Nigerian practices lead to the decay of coordination games such as life insurance? I doubt that in any of the high-income societies migration has to date significantly jeopardized the mosaic of cooperation games. But I am not assessing past migration: I am trying to infer from relationships observable today the possible consequences of continued acceleration.

Countries vary in their success in enabling immigrants and their children to take on the norms of their new society. Among the most successful is America. Children growing up in America almost unavoidably assimilate American values. The same is far from true in Europe. Indeed, there is now mounting evidence that the opposite happens: the children of immigrants are more resistant to adopting the national culture than are their parents. The children of some immigrant groups appear to want to self-identify as different from the prevailing national identity around them. Everyone has multiple identities, such as worker, family member, and citizen. Like everyone else, immigrants can take on such multiple identities. But how they balance these identities affects their behavior. For example, in a fascinating experiment, researchers tested Asian American women on mathematics, first emphasizing either their Asian identity or their female identity. They found that when women were primed with their Asian identity, they achieved significantly higher scores than when primed with their female identity.<sup>10</sup> I have already discussed the economic significance of identity at the level of the firm.<sup>11</sup> One narrative that, while not unique to immigrants, is atypically common is that of self-improvement. Immigrants are self-selected from among those people who are most aspirational for themselves and their children. That is why they choose to uproot themselves. This attitude about opportunities

tends to make them particularly good workers. Thus, migrants and their children may find that preserving a separate identity is no handicap to individual success. This is supported by a new study of second-generation Turkish immigrants to Germany.<sup>12</sup> Germany first treated its Turkish immigrants as temporary guest workers and then adopted a strategy of multiculturalism. Unsurprisingly, neither the first nor the second generation has integrated into mainstream German society. Reflecting this, Chancellor Merkel recently described multiculturalism as “an utter failure.” So Germany is clearly at the low absorption end of the spectrum of how rapidly migrants assimilate. The study investigated whether the choice between German and Turkish identity made by the second generation of Turkish migrants mattered for how well they performed in education and for whether they got a job. The approach was to trace back to the first language in which migrants had been raised: German or Turkish. This language choice, made by parents, strongly influenced the identity that their children took on: those reared in Turkish as their first language were much more likely to self-identify as Turkish and less likely to identify as German. However, as long as they subsequently became fluent in German, this made no difference to schooling or jobs. So migrants themselves do not lose out from preserving a separate identity. But as members of society, if immigrants reject national identity, they are indeed choosing to be outsiders. This does not matter in the narrowly defined behavior spaces of school and work, but it may matter in the open behavior space of society at large for the informal nationwide systems of cooperation and political support for redistribution, which distinctively characterize the high-income societies.

The process whereby young people adopt identities is not well understood. Until recently, economics would not even have considered the question well posed: people’s preferences were simply

givens, and the determinants of behavior were the incentives with which people were faced. However, a central recent insight in social science is that people copy the behavior of others. This appears to have deep neurological foundations: in the mid-1990s it was discovered that the mirror neuron fires both when someone performs an action and when they see someone else perform it.<sup>13</sup> In effect, copying is the neurological default option; behavior that avoids copying an action requires a conscious decision to override the mirror neurons. This does not make us slaves to the actions of others, but experimental psychology is revealing that we are disturbingly suggestible. A subject who observes rude behavior will behave more rudely; a subject who is told to think about the characteristics of the elderly will themselves walk more slowly. The behavior of young people does not follow simply from their genes, their training, and their incentives: it is strongly influenced by what they see around them as pertinent role models. But what, then, are the pertinent role models?

Some role models are much more accessible than others. A concept closely related to that of role model is that of stereotype. They differ in their normative connotations—something described as a role model is usually implied to be good, whereas something described as a stereotype is usually implied to be bad. But what they have in common is the idea that they are ready-made identities. Try to strip the concept of a stereotype of its negative connotations because it has a different characteristic that is important. A role model is usually some individual person: a father can be a role model for a son. But a stereotype is the product of a culture: it is not an individual, who can only be known within a personal circle of acquaintance, but a generalized role model accessible to anyone who is part of a culture. The idea of a “good plumber” is in this sense a stereotype. We do not need to specify all the aspects of



behavior that constitute a good plumber; that has already been done for us in any society that has the concept. Between and between role models and stereotypes are celebrities. Celebrities are individual people and so can be role models, but they are also part of a culture and so readily available to anyone within the culture. Typically, the culture will portray a celebrity not as "the man in full" but as a caricature in which certain features are emphasized: in effect, a celebrity is a role model who can function as a stereotype.

Popular culture is a menu of readily downloadable stereotypes. Some young people will be impervious to popular culture and grow up as their own eccentric selves. But many will download some ready-made identity and live it out, probably periodically changing it. If this is a reasonable depiction of how behavior gets shaped, then public policy can influence behavior in two distinct ways. The conventional approach of the past century has been through incentives: for example, we tax behaviors that are socially damaging, such as smoking, and subsidize behavior that is socially useful, such as raising children. But the scope to influence behavior through incentives has often proved to be quite limited: once someone has downloaded the identity of a criminal, incentives may have little power to deter socially costly behavior. The other way of shaping behavior is to alter the menu of downloadable stereotypes. This is, of course, controversial, but to take an example, there is ample evidence that repeated exposure to violence through the media reduces inhibitions to violent behavior.

How might this relate to migration? We now have three seemingly unrelated sets of propositions. One is about mutual regard: mutual regard is valuable for the trust that supports cooperation and the empathy that supports redistribution. The habits of trust and empathy among very large groups of people are not natural but have grown as part of the process of achieving prosperity; immigrants

from poor countries are likely to arrive with less of a presupposition to trust and empathize with others in their new society. The second is about identity: the identity that people adopt matters for their behavior; many people adopt some of their identity by downloading stereotypical behavior from their culture. The third concerns the identity adopted by immigrants. In an important new study, a team of researchers investigated variations in the willingness of Hispanic immigrants to America to cooperate for public goods. The variations were designed to pick up differences in how immigrants perceived both their identity and their degree of exclusion from the society around them. An innovation of their research was that in addition to the conventional laboratory games designed to tease out attitudes to others, it included real neighborhood public goods, such as local health and education facilities. They found powerful evidence that how migrants see themselves influences their willingness to cooperate and contribute to public goods. The more migrants self-identified as Latino as opposed to American, the less they contributed. One practical insight of the research was that fluency in English mattered: the more that English was the language used at home, the stronger was a sense of American identity.<sup>14</sup> This study is new and I am not aware of an equivalent one for Europe. However, in America immigrants absorb national identity more readily than they do in Europe, where if anything resistance to taking on national identity appears to be increasing. A reasonable speculation is that in Europe immigrants absorb prevailing levels of trust more slowly than in America.

### **Immigration, Trust, and Cooperation**

A growing group of people with low levels of trust can be destabilizing. If the number of people playing opportunistic rather than cooperative strategies accumulates, it may no longer be sensible for

other people to continue to play cooperative strategies. The vital ingredient of successful cooperation is that enough people should be willing to punish those who do not cooperate. But if those who adopt opportunistic rather than cooperative strategies are disproportionately immigrants, punishment may become misconstrued as discrimination, making people more reluctant to punish. Further, other members of the immigrant group might misconstrue punishment of opportunism as discrimination against their group and themselves punish those who punish to enforce cooperation: recall that these are the "supervillains" in cooperation games who most effectively cause cooperation to collapse.

Unfortunately, there is evidence that these concerns are not merely hypothetical. Robert Putnam is a leading social scientist at Harvard and the world's foremost scholar of the concept of "social capital." Using a large American sample, Putnam investigated the effect of immigration on trust.<sup>15</sup> One of his findings, though disturbing, was standard: the greater the proportion of immigrants in a community, the lower were mutual levels of trust between immigrants and the indigenous population. In other words, far from proximity leading to greater mutual understanding, it leads to heightened mutual suspicion. This relationship has been widely studied, and Putnam's results are in line with the majority of other such research.

However, Putnam went on to a completely new result that is far more troubling. The higher the level of immigration in a community, the lower the trust was not just between groups *but within them*. A high level of immigration was associated with a lower level of trust of each other purely among the indigenous people in the community. As would be expected from the importance of trust in fostering cooperation, the lower level of trust manifested itself in many different forms of reduced cooperation. Putnam refers to this effect

as "hunkering down": indigenous people living in a high-immigrant community retreat into themselves, trusting less and taking less part in social activities, having fewer friends, and watching more television. I have described Putnam's results as if they were merely simple correlations between the level of immigration in a community and the level of trust. Were this the case his work would be open to a myriad of statistical objections. But Putnam is a highly professional researcher who has carefully investigated and controlled for a wide range of spurious possible explanations for his results. All social science is open to challenge, and given that Putnam's results were politically anathema for many social scientists, it was inevitable that his results would be contested. While they may turn out to be misleading, they should not be dismissed. Despite Putnam's evident discomfort with the results, as he says, "it would be unfortunate if a politically correct progressivism were to deny the reality of the challenge to social solidarity posed by diversity."<sup>16</sup>

The big limitation of Putnam's analysis, which he recognizes, is that it is based on a snapshot: it does not track changes over time. This does not invalidate the results, but the data cannot be used to analyze what might make immigration less damaging to cooperation. What we are left with is a robust result that immigration reduces the social capital of the indigenous population. Unfortunately, at least in America, the effect is quite powerful. At the level of individual communities, it becomes more pronounced the larger the proportion of immigrants is. While the result that social capital even within a group is reduced by diversity is new, the more general result that ethnic diversity in a community inhibits cooperation has been found in many different contexts. Evidently, the salient feature of ethnicity is not genetic but cultural: distinct ethnicities stand proxy for distinct cultural identities. An important example of this research, which ultimately demonstrates the irrelevance of



genetic differences, is a study by Edward Miguel of Berkeley that investigated the provision of a basic public good—the maintenance of a village well—in rural Kenya.<sup>17</sup> Kenya has around fifty different ethnic groups, and so villages differ considerably in their degree of ethnic diversity. Miguel found that those villages that were more diverse were less able to cooperate to maintain a well. I will return to this result in chapter 11 because there is an important twist to it.

Putnam and I are not suggesting that the present levels of migration-generated diversity have seriously endangered cooperation. The point is not to castigate past migration but to recognize the potential risks from further large increases in diversity. Paradoxically, the high mutual regard societies of Europe may be more at risk than the lower mutual regard evident in the United States. Unsurprisingly given their very different histories of migration, European countries are more cohesive than the United States, and their norms reflect this greater cohesion. Putnam's results apply only to the United States; to my knowledge there is no equivalent analysis yet for Europe. However, two factors are not encouraging. One is that America has been more successful than Europe in integrating immigrants. This is hardly surprising: unlike Europe, "American identity is rooted not in nationhood but rather in the welcoming of strangers."<sup>18</sup> The other is that America's recent immigrants are largely Hispanics, as in the study discussed above: people from Latin America. Diversity depends not just upon numbers but on cultural distance between immigrants and indigenous populations. The cultural gap between Hispanics and other Americans looks to be smaller than that between immigrants to Europe from poor countries and indigenous Europeans. But would such a judgment of cultural difference merely be prejudice?

An ingenious objective way of measuring cultural distance is by a language tree. Modern linguistics has constructed a global

language tree, showing how many branches separate any two distinct languages. But while this provides an objective measure of the distance between languages, does the resulting measure have any traction as a proxy for the distance between cultures? Montalvo and Reynal-Querol have recently investigated whether language distance proxies cultural distance by using it in an analysis of intergroup violence within countries.<sup>19</sup> Does the language gap between two ethnic groups in the same country significantly affect proneness to violent conflict between them? They find that the greater the distance between languages, the greater the proneness to intergroup violence. Their analysis is global, but since intergroup violence in the high-income societies is very limited, the important observations are from other societies. Hence, the result should not be misinterpreted as implying that the immigration of linguistically distant groups makes a high-income society significantly more prone to violence. Modern developed societies have built so many defenses against intergroup violence that it is not a significant issue: the specter of "rivers of blood" flowing from violence between immigrants and the indigenous, which was first raised by Enoch Powell and has haunted liberal intellectuals ever since, is deluded melodrama regardless of the scale of migration.

I am concerned with trust within groups, not with violence between them. But if, in those societies where intergroup violence is not unthinkable, language distance increases it, there is a reasonable presumption that language distance also proxies the more general difficulties associated with forging mutual regard. Mutual antipathy and mutual regard are the endpoints on a common spectrum. Measured by language steps, the cultural gap between immigrant groups and indigenous populations in Europe is indeed usually wider than between Hispanics and the host population of America. Hence, although Putnam's results are for America, Europeans would be

cavalier to dismiss their pertinence to Europe simply on the grounds that Europe is different. Here are a couple of recent instances from Britain that may reflect just such a process of the undermining of social capital within the indigenous population that Putnam is analyzing.

### Some Illustrative Anecdotes

I have headed this section "Some Illustrative Anecdotes," and that heading is important. The purpose of the following stories is to help the reader see how the rather academic-sounding discussion of trust and cooperation might actually play out in a real context. Since the social theory is about how immigration can weaken trust within the indigenous population, the illustrations necessarily illustrate just that. But whereas theories can only be read with what Daniel Kahneman terms "slow" thinking, stories trigger "fast" thinking reactions: in other words, intellectual effort is replaced by visceral emotions. For the writer this poses a problem: without illustrations the ideas remain too dry to have meaning; with illustrations they risk becoming explosive. To lessen that risk, let me be clear that the following stories are not analyses: the interpretations that I place on these stories might well not be correct. But that they could be correct should help you to grasp the more abstract proposition that migration can have social costs and that on a sufficient scale, the social costs of migration could become substantial.

One of the most remarkable achievements of British culture has been the convention of an unarmed police force. Within Britain this seems so natural that it has largely been taken for granted—there is no right to bear arms in Britain; on the contrary, it is a serious criminal offense. By international and historical standards this state of affairs is highly unusual—a triumph of the civilized society.

The convention is evidently fragile, depending as it does upon a tacit agreement between police and criminals that guns will not be used. Given that the police are unarmed, any one individual criminal would gain an advantage from being armed, yet if criminals routinely carried guns, the police would also do so. This creates a coordination problem *within the criminal community*. Somehow, over the decades, British criminals managed to enforce a code of not carrying guns. In the 1960s one criminal spectacularly breached this code, shooting dead three policemen. What happened next was remarkable: the criminal tried to go to ground within his London social network, but could not do so. Finding himself ostracized, he fled to remote moorland, where he was caught living in a tent. Recall that game theory tells us that such willingness of other players to punish transgressors of cooperation is essential to preserve good outcomes. Now roll on to 2011: two policemen arrest a known criminal with previous convictions. In the car taking him to the police station the criminal pulls a gun; the police are also armed and shoot him dead. What then ensues is in stark contrast to the 1960s. The social network of the criminal rushes to the police station and mounts a protest, several hundred strong, against the police. The criminal, Mark Duggan, is posthumously turned into a community hero. Of course, the two instances of armed criminality are not identical: in the former the criminal fired his gun, in the second, while the criminal pulled his gun, he did not get a chance to fire it. Further, in the decades between the two incidents trust in the police had considerably eroded. But the opposing responses of the criminals' social networks are nevertheless striking. That of the 1960s reinforced the convention that it is impermissible for criminals to resort to guns, whereas that of 2011 undermined it. A salient difference is that Duggan was Afro-Caribbean and that the crowd of protesters that assembled outside the police station was also



Afro-Caribbean. The bonds between Afro-Caribbean people living in the locality were evidently stronger than any sense that in possessing a gun he had breached a taboo. Over a long period relations between the Afro-Caribbean community and the police have revealed a mutual lack of trust, and there is evidence of racism within the police force. Members of Duggan's social network responded to the news by presuming that the police had shot him unnecessarily, rather than, what is perhaps a more likely interpretation of events, that the police officer reacted to an immediate situation of extreme fear. As a result, far from ostracizing him, his network came out in solidarity, aiming to punish the police. This is precisely the role of the "supervillains" whose behavior is ruinous in cooperation games. Such responses clearly threaten to undermine the fragile convention that neither criminals nor the police should carry guns.

The fact that the police were indeed in this instance armed tells us that the convention had already considerably eroded. In part, this erosion was a reflection of a much more generalized acceptance of violence in Western cultures that, as Steven Pinker has shown, began in the 1960s, reversing a centuries-long gradual reduction.<sup>20</sup> But it may also have been accentuated by a highly specific difference between the culture of Afro-Caribbean immigrants and that of the indigenous population. While there are variations within the Caribbean, Jamaican culture is among the most violent in the world. For example, murder rates are *fifty times* higher than in Britain. Guns are normal, so it is unsurprising that Jamaican immigrants brought their gun culture with them; indeed, the gun culture of the Afro-Caribbean community is now a specific concern of British crime policy. That culture is perhaps why Duggan carried a gun: his uncle had been a gun-toting gang leader in Manchester, and he did not recognize it as breaking a taboo. Manchester itself is struggling

to live down its description as "Gunchester." In 2012 it was the scene of a tragedy in which, for the first time in Britain, two police-women were shot dead. The shooting has initiated a serious public discussion as to whether British police should be armed: the convention is revealed as fragile. The perpetrator in the Manchester shooting was indigenous. Evidently, over the years, the norms of indigenous criminals have changed. Quite possibly this would have happened without any immigration. But it is also possible that the immigration of a substantial group of people whose social convention was to carry guns had destabilized a benevolent social equilibrium.

Recall that the key prediction of Putnam's work is that the decline in cooperation induced by immigration extends to the internal behavior of the indigenous community. The key damaging effect is not that immigrants and the indigenous population do not trust each other; it is that indigenous people lose trust *in each other* and so resort to opportunistic behavior. What happened in the aftermath of the Duggan incident may illustrate this breakdown in the restraints on opportunism within the indigenous population. The Duggan protests metastasized into looting that spread across the country, conducted by many thousands of teenagers from the indigenous population. The behavior was, as far as we can tell, utterly apolitical. Indeed, public buildings were ignored. The targets were shopping centers, where teenagers smashed windows and gleefully stole the standard accoutrements of teenage life. The behavior was also unrelated to ethnicity: essentially, indigenous teenagers looted from indigenous shops. Such behavior by indigenous teenagers was without precedent. In part, it was accounted for not by cultural change but by technological advance: teenagers, being particularly IT-savvy, were able to coordinate looting on their mobile phones, thereby achieving the safety of numbers. The police

response also came in for criticism: having been accused of being too aggressive in the Duggan case, in the riots they were accused of being too passive. But police response to criminal behavior is less revealing than the behavior itself. The looting can reasonably be seen as reflecting a decline in social capital within the indigenous population.

Here is a further possible instance of social capital being undermined by "supervillains." It comes from community responses to the deaths of British soldiers fighting in Afghanistan. Their bodies are flown to an airbase in Britain, and a tradition has developed whereby as the coffins are driven through the local town people line the streets to pay their respects. This is itself a reflection of a much broader socially important convention in which heroism in public service is honored. The British soldiers fighting in Afghanistan reflect the multiethnic composition of British society, and so one of the soldiers killed was a British Muslim. A member of his family was interviewed on television to speak of the soldier's courage and their pride in his sense of duty. But the speaker was too fearful of reprisals from a small but violent minority of other British Muslims to reveal either his name or face: he was interviewed in silhouette. This was a fear of "supervillains." Of course, the fear may well have been misplaced, but one reason that "supervillains" are so destructive of social capital is that there do not need to be many of them to alter behavior.

Anecdotes are not analysis: they merely illustrate what analysis is trying to show. Working merely from anecdotes we can stack up counterexamples where immigrants have clearly contributed to the social capital of the indigenous population. One major such example is the Notting Hill Carnival, which has become the largest annual street party in Europe. The carnival was created by the Afro-Caribbean community, drawing on its pre-immigration traditions,

and huge numbers of people from the indigenous population now also take part in it. Street parties are paradigmatic of the social capital that Putnam sees as so valuable.

So, working from anecdote, we could stack up whatever apparent support for whatever story we find appealing. For this reason, it is not a valid means of analysis: rather, it is the stuff of opinionated advocacy. The anti-immigration lobby will use one set of stories and the pro-immigration lobby a counter-set. The purpose of the above anecdotes in which immigration appears to have undermined social capital is decidedly not to strengthen an argument. Their role is purely to help the reader see what in practice both Putnam and the game-theory analysts of fragile cooperation are getting at.

### Mutual Regard and Equity

So far I have focused on mutual regard as a source of trust, in turn supporting cooperation. But mutual regard is also important for an equal society. Without public transfers, the distribution of income is likely to become grossly unequal. Indeed, in recent decades technological pressures toward inequality have probably been compounded by social pressures.<sup>21</sup> The growth of the information economy has probably increased the returns to exceptional mental abilities. This new elite of the highly educated tend to cluster together not just at work but socially. They intermarry and their offspring have powerful educational advantages. As a result, social mobility is reduced: a trend that has been most marked in the United States and Britain, where countervailing government policies have been least active. It is not necessary to be on the political left to regard rapidly widening social inequality as undesirable. Wide differences in incomes can make a society less livable. Raghuram Rajan, a respected and sophisticated conservative economist, suggests that



the political gridlock in America over fiscal policy may reflect the underlying divergence of interests between America's rich and America's poor: the population in the middle ground has shrunk.

So a technologically and socially driven process of widening inequality calls for more active redistribution. The objective need not be the traditional rallying cry of the Left, a more equal society, but the more modest and conservative one of preventing rapidly increasing inequality. But, in fact, despite the growing need for redistributive policies, actual policies have shifted in the opposite direction. There has been not only a drift to lower taxation of incomes, but, more subtly, many goods and services that used to be supplied through the government are now supplied through the market. Michael Sandel has brilliantly anatomized this process, which since the 1960s has shrunk the role of the state and thereby contributed to rising inequality.<sup>22</sup> Lower taxation and the expanded role of the market have reflected and contributed to a weakened sense of a shared society.

For redistribution to be politically feasible, sufficient fortunate people must be willing to subsidize the less fortunate. So the regard of the fortunate for the less fortunate would need to be deepened. We are back to the concept of empathy: high earners need to be able to see low earners as themselves minus good fortune. Empathy comes from a shared sense of identity. An important way of building common identity is common membership in a network of reciprocal obligations.

The immigration of culturally distant people who disproportionately occupy low-income slots in the economy weakens this mechanism. Low-income people become less like high-income people. In turn, unless this is offset, it reduces the willingness of high-income people to make transfers to low-income people. Many influences contributed to the policies of reduced taxation and increased

reliance on the market, not least that of the economics profession. But the pronounced increase in cultural diversity brought about by immigration may have been one of them. For example, the recent phase of the open door in Britain has coincided with a collapse in willingness to fund redistribution. In 1991 a substantial majority of Britons—58 percent—agreed that government should spend more on welfare benefits even if it led to higher taxes; by 2012 this had fallen to an inconsequential minority—28 percent. The argument that cultural diversity reduces the willingness to redistribute income has been formalized and investigated by two highly distinguished Harvard professors, Alberto Alesina and Edward Glaeser.<sup>23</sup> They posed the question of why there has been so much greater willingness to accept redistribution in Europe than in the United States. Their explanation was that the distinctive attitudes of the typical European country were grounded in its greater cultural homogeneity. There is also some evidence that what erodes the willingness to redistribute is the rate at which diversity increases rather than simply its level. However, the importance of the level of diversity is supported by a wide array of evidence.<sup>24</sup> As predicted by the theory, the greater the level of cultural diversity, the worse the provision of redistributive public goods.

As with diversity and cooperation, particular cases merely have the status of illustrative anecdotes: with that caveat, exhibit A is California. Due to the conjunction of geography and opportunity, California has the highest incidence of immigrants of all American states. All these immigrants have arrived in the past fifty years, because until the 1960s America had a closed door. Most of California's immigrants cluster in the lower range of the income distribution. So, according to the theory, California has precisely the preconditions for a growing reluctance on the part of high-income groups to pay for redistribution. California is an immensely rich state: it can

certainly afford redistribution. For example, it is home to Silicon Valley. But its most distinctive feature in recent decades has been the collapse of its public services. The schooling system in California has plummeted down the American league tables and is now comparable to Alabama, at the very bottom. The public universities, once world-class institutions, have been starved of funding. In part, the collapse in public services is a consequence of a change in spending priorities away from redistribution toward prisons. California used to educate its poor, whereas now it jails them. But the core of the problem is not the composition of spending but the lack of revenue. Despite its prosperity, California is acutely short of revenue because of a tax strike by higher income groups who succeeded in placing a cap on property taxes. Given the scale of the problem in California, it would be foolish to attribute it to any one cause. However, a plausible contributing factor is that mass immigration has undermined the empathy of fortunate indigenes for poor people. Perhaps in previous times those Californians who were well off saw the less well off as people like themselves who had had less good fortune, whereas now they see them as a distinct group to which neither they nor their children belong.

Just as the indigenous can fail to recognize immigrants as members of a common society, so immigrants can fail to recognize the indigenous. It is time for another anecdote: exhibit B is a grim British court case of 2012 in which a group of middle-aged Asian men ran a sex ring abusing indigenous children. Commentaries on the case tended to polarize into anti-immigrant arguments that such behavior typified Asian culture and politically correct comments that the case had nothing to do with immigration but showed that all middle-aged men are pigs given the chance. But such behavior is far from normal in Asian societies. Indeed, none of the abused children were Asian, and Asian families are noted for the sexual protection

of their young people. Nor is it credible to dismiss the immigrant aspect of the case: middle-aged men are not pigs. These men were evidently applying radically different standards of conduct toward children according to their ethnicity: the children of the indigenous were “the other” and of less account.

So mutual regard is valuable in a society both for cooperation and for equity. It is challenged by the introduction of culturally distant groups. Immigrants from very different cultures are likely to arrive with less sense of trust in others. Their societies of origin are not immoral, but the basis of morality is different, reflecting the honor of a clan or family. As Mark Weiner shows in *The Rule of the Clan* (2011), honor codes used to be the global norm. They are remarkably persistent, and breaking them has been one of the triumphs of Western societies. On arrival, immigrants from honor societies may be seen by the indigenous population as “the other” and to see that population as “the other.” If these behaviors persist, then the society will become less cooperative and less equal. So the key issue becomes whether they persist or erode: do immigrants absorb the norm of trust, and do both immigrants and the indigenous come to see each other as members of a common society?

### The Absorption Rate of Diasporas

The rate at which diasporas are absorbed into society has powerful repercussions, and so the forces that determine it are themselves of interest. In chapter 2 I introduced one important influence: as the size of the diaspora increases, the additional interaction within the group crowds out interaction with the indigenous population, and so absorption slows down. I now introduce three other influences: the composition of the diaspora, the attitudes of migrants, and the attitudes and policies of host countries.



### Absorption and the Composition of the Diaspora

For a given size of the diaspora, its composition is likely to affect how rapidly its members merge into the indigenous mainstream culture. Cultural distance is a meaningful concept: you may remember that we can measure it objectively by the number of steps of separation between the languages of two cultures as shown by a language tree. What is more, so measured, cultural distance has significant consequences. A reasonable presumption is that the wider the cultural distance is between migrants and the indigenous population, the slower the rate of absorption will be. I do not propose this as an iron law, but rather as a tendency. Recall that absorption can occur both by migrants adopting aspects of indigenous culture and by the indigenous population adopting aspects of the culture of migrants. But by either means, for a given set of policies, the wider the gap initially separating cultures is, the longer it is likely to take before they merge.

This innocuous-sounding presumption is going to have a surprising implication. As before, if you are an intuitive genius you will leap to it in one bound, but for the rest of us the workhorse model provides a helpful bit of scaffolding. To remind you, the *diaspora schedule* shows the combinations of the diaspora and migration at which the inflow into the diaspora from migration equals the outflow from the diaspora due to the merger into mainstream society. The rate at which the diaspora merges with the indigenous population is depicted by the slope of the schedule. The slower the rate of absorption, the smaller the increase in migration needed to sustain a given increase in the diaspora, so that slow absorption implies a flat schedule. In Figure 3.1, I compare two diasporas that are at different cultural distances from the indigenous population. For purposes of illustration I have chosen Poles and Bangladeshis in Britain, but it could equally

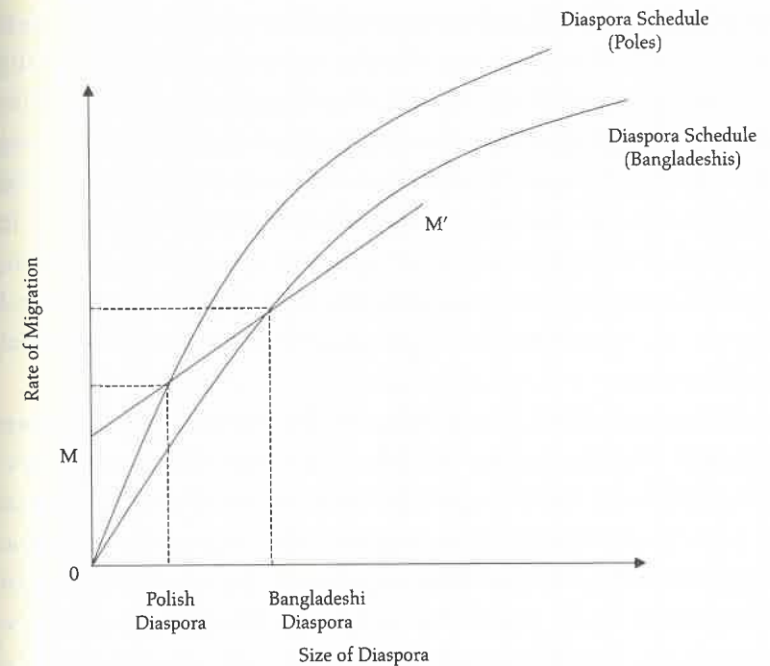


Figure 3.1 Diasporas and Migration in Equilibrium: Poles and Bangladeshis in Britain

have been Mexicans and Eritreans in the United States, or Algerians and Chinese in France. For any given common size, the one that is more distant will have the flatter sloping schedule.

The natural equilibrium for these two inflows is where their *diaspora schedules* cross the *migration function*. This shows what would happen in the absence of any policy interventions such as migration restrictions or strategies for changing the absorption rate of particular groups. As I discussed in chapter 2, the two lines may not cross, in which case there is no equilibrium and the natural rate of migration keeps increasing. So one possibility is that the culturally more distant migration process has no natural

equilibrium: migration accelerates until stopped by policy intervention. But now consider another possibility: both culturally proximate and culturally distant migration have natural equilibria. To keep things as simple as possible, I am going to assume that other than for differences in their diasporas, the impetus for migration is the same for Bangladeshis as for Poles. That is, in terms of the diagram they have a common migration function,  $M-M'$ . Of course, this is not realistic, but for present purposes I want to focus exclusively on a single influence on migration: that of diasporas.

Suppose, probably reasonably, that Bangladeshis are more distant from English culture than Poles. This has a simple yet important implication. Following the previous argument about the effect of cultural distance on how rapidly a diaspora merges into the mainstream, the Bangladeshi diaspora will have a slower rate of absorption than the Polish diaspora. In terms of the diagram, the slope of the Bangladeshi *schedule* will be flatter than the Polish. Now the value of the diagram comes into its own, because the punch line leaps off the page. In equilibrium, the culturally more distant group, Bangladeshis, will have a larger diaspora. This much is unsurprising: being culturally more distant, Bangladeshis will merge less rapidly and so, for a common rate of migration, the stock of people who identify as Bangladeshi will end up larger than that of people who identify as Poles. But the more remarkable difference between the Bangladeshi and the Polish equilibria is that the rate of migration will end up permanently higher for Bangladeshis than for Poles.

While the first implication is intuitively obvious, this second one—that the rate of migration of the culturally more distant group will be permanently higher—is decidedly not obvious. Indeed, the opposite might have been the intuitive expectation. The model

shows why intuition is wrong. So we get the paradoxical result that for a given income gap between countries of origin and a host country, *the sustained migration rate will be greater the more culturally distant is the country of origin from the host country*. As far as I can tell, this result has not previously been known. If that is so, then it vindicates why a model is valuable. Recall that the purpose of a good model is not to do our thinking for us, but to provide supporting scaffolding that enables our understanding to reach further than we could achieve by unaided reasoning.

So, armed with a new understanding that the greater cultural distance of a group increases its equilibrium rate of migration, think how this in turn feeds back onto the composition of the diasporas that build up in a host society. Over time, those migrants that are culturally proximate to the indigenous population absorb into it, while those that are culturally distant remain in the diaspora. As a result, as diasporas accumulate, on average they become more culturally distant. This in turn has consequences for the rate of absorption. Because a larger diaspora is on average more culturally distant from the indigenous population, the average rate at which it is absorbed slows down. Suppose, for example, that there are two countries of origin: one culturally proximate—"AlmostUsLand"—and the other distant—"Mars." Migrants from AlmostUsLand are absorbed more rapidly than those from Mars. As the diaspora builds up, a higher proportion of it is from Mars and so the average rate of absorption declines. This then is a further reason that the overall schedule—representing the sum of all the individual diasporas—becomes flatter as the diaspora increases. Later in this chapter we will see why such a flattening might have important consequences.

The effects discovered by Robert Putnam and others suggest that for a given rate of migration the social costs in terms of reduced trust within groups and increased tensions between them are higher



the wider the cultural distance is. Hence, we have arrived at a paradox. The economics of migration is driven by the individual maximizing decisions of migrants and their families. Diasporas reduce the costs of migration, and so the larger the diaspora from a country of origin, the higher will be the rate of migration from it. But the social costs of migration are driven by the externalities that these privately maximizing decisions happen to generate. The paradox is that the economic logic of private maximizing decisions, which by definition reap the maximum economic benefit for decision takers themselves, appears also to increase the social costs.

#### **Absorption and Attitudes of Migrants: Emigrants or Settlers**

For a given size of diaspora, the psychology of migrants is also likely to affect the rate of absorption. I have suggested that popular cultures can be thought of as menus of downloadable stereotypes. The attitudes that migrants adopt may be shaped not just by the conventional individual economic variables such as income and skill, but by the stereotypes they adopt. Stereotypes of migration are not set in stone; they change, sometimes quite rapidly.

Just such a change in how migrants define themselves occurred following the end of the Napoleonic Wars in 1815. Thanks partly to the fall in shipping costs and the pent-up demand after a long war, mass emigration from Britain and Ireland to North America took off. There was a solid economic rationale for migration: the fertile lands of North America were available for settlement. But migration at this time was still a momentous decision: North America was not paradise—conditions were harsh. The economic historian of this migration, James Belich, recently spotted something fascinating about how migration was conceptualized.<sup>25</sup> By carefully counting the words used in hundreds of newspaper articles year by

year he discovered that between 1810 and 1830 a subtle change occurred in the language used to describe migrants. Around 1810 the term most frequently used in newspapers was “emigrants.” But by 1830, “emigrants” had given way to a new term, “settlers.” I think that this change was not innocuous; the two terms imply radically different narratives. Emigrants are, essentially, leaving their society of origin behind them to join a new one. Settlers, in contrast, are bringing their society of origin with them. Does this distinction matter?

The most celebrated research paper on economic development of recent years, by the trio of Harvard- and MIT-based scholars Daron Acemoglu, Simon Johnson, and James Robinson, argues that migrants were historically valuable precisely because they were settlers.<sup>26</sup> What they brought with them, on this argument, was their institutions such as the rule of law and the sanctity of contract. By bringing these institutions, settlers enabled the countries to which they migrated to escape the poverty that had until then been the lot of mankind. But while settlers are undoubtedly good for settlers, they also frequently come with some major negatives for the indigenous population. No one can credibly argue that the settlers to North America were good for the indigenous inhabitants of the continent; that settlers to Australia were good for aborigines; or that settlers to New Zealand were good for Maoris. Settlers may, in the long term, prove to have been good for black South Africans, but this did not begin until power shifted to a government intent on ensuring benefits for blacks by transferring income from the settler population. Currently, the most high-profile settlers are Jewish Israelis: while the rights of Jewish settlement of the Occupied Territories are hotly disputed—and entirely outside the scope of this book—no one attempts to justify Jewish settlement on the grounds that it is beneficial for indigenous Palestinians.

In the post-Napoleonic period, when mass migration to North America took off, the group with the greatest appetite to become settlers was the Protestant community in the north of Ireland (emigration by Catholics from southern Ireland did not take off until after the potato famine of the 1840s). The most likely explanation for this propensity is that the Protestants in the north of Ireland were already settlers, brought in from Scotland and England by successive British governments to establish a loyalist population in the unruly colony. That early influx of settlers, now more than four centuries old, is still playing out in bitter divisions, and it is indeed unfortunately still just about meaningful to speak of a "settler" population and an "indigenous" population. Were the "indigenous Irish" to be polled on whether they were glad in retrospect that settlement had taken place from Scotland, it is doubtful that a majority would be positive.<sup>27</sup>

Settlers not only bring their own agendas, but they also bring their own culture. History is replete with instances of settler minorities diffusing their culture onto indigenous populations: an obvious example is missionary activity, which unsurprisingly can be shown to have left a permanent legacy of altered religious affiliation.<sup>28</sup> Sometimes the process of cultural diffusion is straightforwardly brutal. In Latin America the ubiquity of Spanish reflects past settler cultural power. In Angola the ubiquity of Portuguese names among the indigenous population reflects past cultural dominance by settlers. But sometimes sweeping cultural diffusion occurs through a decentralized process rather than a gun barrel.

The most complete such cultural takeover by a settler minority that I have come across occurred in Britain. The settlers were Anglo-Saxons and the period was roughly A.D. 400–600. Before 400 there were few Anglo-Saxons in Britain and at no time did they constitute more than around 10 percent of the population. Nor, as far as we

can tell, did they violently conquer and subjugate the indigenous Britons: there is little trace of local violence in the archaeological record.<sup>29</sup> Yet the extent of Anglo-Saxon cultural takeover is apparent from language and religion. Before 400 the languages spoken were probably Celtic, approximately like modern Welsh, and Latin. By 600 the language was English. This new language contained no trace of the original Celtic language; instead it was an amalgam of settler dialects, influenced most heavily by Friesian. Similarly, the Christian religion, which in the early fifth century was the official religion of the country, had almost completely disappeared by the end of the sixth century. Christianity had to be reintroduced from Ireland and Rome. As far as we can tell from the inevitably scanty evidence, in the face of Anglo-Saxon settlement the indigenous Britons suffered a cultural collapse. Quite why the Britons suffered such an extreme loss of indigenous culture is unknown, but something evidently made it cool to imitate the Anglo-Saxons.

Whether we should lament the loss of an indigenous culture is debatable. If it happens, it is after all voluntary. But a culture is, par excellence, a public good: something that everyone values but no one in particular is rewarded for sustaining. At the global level we value the existence of other cultures even if we do not personally experience them: like many things we do not personally experience, they have existence value. At the individual level, parents usually want to pass on their culture to their children, but whether this is feasible depends not just on parental decisions but upon the choices of those around them. Thus, even if when viewed *ex post*, cultural change is welcomed by later generations, viewed *ex ante*, indigenous populations may reasonably be wary of the cultural challenge posed by settlers. The message that their grandchildren will take delight in having adopted someone else's culture is not, necessarily, reassuring. Of course, cultural change driven by settlers



is only one among many forces for change; but unlike many of the others, it is optional. If indigenous populations do not want it, they need not accept settlers.

Settler migration from rich countries to poor is thus a two-edged sword for the indigenous: settlers bring institutions that are desirable, but cultures that are unwelcome. Now consider, hypothetically, the same process but from poor countries to rich ones. Imagine that poor settlers were to arrive in a rich society, intent on maintaining and spreading their culture. The social models they would bring with them would not be beneficial: poor countries are poor because their social models are dysfunctional. Prosperous societies would therefore have reason to be wary of such settlers.

Of course, poor countries do not send settlers to rich ones. Some modern migrants from poor countries to rich ones may wish they could behave like the former settlers, but they lack any semblance of the political power, based on superior violence, that settlers were able to wield. But perhaps the modern distinction between cultural assimilation and cultural separateness is somewhat analogous to that earlier distinction between emigrants and settlers. Emigrants leave their society of origin behind them and join a new one, making it easier for them to accept the need to assimilate. Settlers have no intention of assimilating: they expect to retain their values and culture in their society of arrival.

### Two Meanings of Multiculturalism

Like everything about migration, the cultural narrative appropriate for migrants is highly politicized. At one end of the spectrum is assimilation: migrants intermarry with the indigenous population and adopt the ways of that population. I am the product of assimilative migration. So is Boris Johnson, the mayor of London, whose

grandfather was a Turkish immigrant. At the other end of the spectrum is permanent cultural isolation of migrants in a hermetic community where schooling and language are separate and marriage outside the group is punished by expulsion. While such people can be citizens in the legal sense, they are only meaningfully part of society if it is seen as radically multicultural.

Multiculturalism began as a reaction to the narrative of assimilation. Perhaps the main impetus for it was a recognition that many migrants were not keen to assimilate: they preferred to congregate together in clusters that protected their culture of origin. Criticism of migrants for reluctance to assimilate might be seen as implying the superiority of the indigenous culture, which in turn might border on racism. But gradually multiculturalism was framed more positively by liberal elites as desirable in itself: such a society provided more variety and stimulus than a society with a single culture. In this form multiculturalism embraces the permanent coexistence of distinct cultures in the same country. The nation is reconceived to be a geopolitical space in which separate cultural communities peaceably coexist with equal legal and social status. The indigenous community may or may not remain a majority, but it has no special status. An alternative meaning of multiculturalism, perhaps closer to the original idea, is that rather than migrants being assimilated into the indigenous population, there is a cultural fusion between migrants and the indigenous. Unlike assimilation, fusion does not imply that the indigenous culture is either superior or privileged to that of the migrant.

So we have four competing narratives for migrants. They could arrive as traditional immigrants, accepting and aspiring to assimilation with indigenous culture. They could arrive with the intention of cultural fusion, bringing something distinctive to the common table from which all eat. They could arrive as cultural separatists,

intent on isolating themselves from indigenous society while participating in the economy: in effect being guest workers. Or they could arrive as settlers, intent on spreading their culture among the indigenous. How do these four narratives stack up, both ethically and practically?

### Assimilation and Fusion

Despite having fallen out of fashion, assimilation has some major advantages, not just for the indigenous but for everyone. Ethically, it is consistent with the golden rule of treating others as you would wish to be treated. Most notably, immigrants from poor societies can only ethically demand one of the other narratives if they have themselves supported that narrative back in their country of origin. Yet few poor societies have yet made a success of cultural separatism: this is indeed why Montalvo and Reynal-Querol find that cultural distinctness in poor countries increases the incidence of intergroup violence.<sup>30</sup> The most extreme advocates of cultural separateness speak of assimilation as "cultural genocide," but this is an inexcusable appropriation of a terminology whose emotive force should be reserved for the terrible situations when it is genuinely needed. The initial cultures of immigrants live on as dynamic processes in their countries of origin. There is no ethical reason that, as part of the deal in being admitted to a country, a migrant should not be expected to absorb the indigenous culture. In concrete terms, should migrants be expected to learn the local language? Having a common language is manifestly highly convenient: without a common language it is hard to have a common politics. More than that, it matters for mutual regard: remember that study of Mexican immigrants to America which found that those who learned to speak English were more willing to cooperate in public

goods provision. So migrants who are unwilling to learn the local language are free riding on the public goods that a common language has helped to foster. Further, they are liable to be in breach of the golden rule: do they accept that immigrants to their own country of origin should not have to learn the local language either?

Not only is assimilation ethically well based, but its practical consequences are benign. Trust remains at a high level because migrants absorb the attitudes of the indigenous. Migrants and the indigenous learn to have the same mutual regard that already prevails within the indigenous community. Having common cultural behavior, the indigenous and immigrants come to recognize each other as the same people. This is gradually reinforced through intermarriage, which yields common descendants. The prospect of intermarriage is potentially important for the perception of identity. After a prolonged period without migration, such as most European countries experienced until the 1950s, the indigenous population can truly imagine itself as one people: most British people have been British since before Neolithic times. But migrants who expect to assimilate can participate in this same story. Not only will their offspring belong to a common people, but their offspring will themselves be directly descended from the same stock as the indigenous. An immigrant from Sierra Leone to Britain is unlikely to be descended from King Alfred, but through intermarriage her grandchildren are likely to be. If she herself recognizes that link through the future to the past, it may help her to embrace a new identity.

Multiculturalism as fusion is also ethically well based. Unlike assimilation, it readily affords equal dignity to the migrant as she is and to the indigenous. There is no hierarchy of cultures but rather the excitement and creativity of cultural blending. Fusion places demands upon both migrants and the indigenous to be curious about other cultures and to adapt to them. Given the numerical



preponderance of the indigenous, there is some presumption that the new blended culture will be predominantly indigenous, and so migrants should be willing to accept larger cultural adaptation than the indigenous. However, such an expectation is merely a practical matter, not an ethical requirement. In Britain chicken tikka has become the most popular national dish, replacing the indigenous fish-and-chips. Chicken tikka is not literally the import of an immigrant culture; rather it is an innovation in Britain by an immigrant who rose to the challenge of fusing his own cultural expertise with an indigenous demand for fast food. In practical terms, fusion has consequences similar to assimilation. The only difference is the potential risk that the social model will become blended in such a way that damagingly dilutes its functionality: remember that in economic terms, not all cultures are equal.

### Separatism and Settlers

In Europe, until recently the dominant tendency among political elites has been to espouse multiculturalism interpreted as the right to persistent cultural separatism. This orthodoxy and its supporting policies responded to, and legitimized, a preference for cultural separatism on the part of major groups of immigrants. One objective manifestation of separatism is the spatial pattern of immigrant residence. In the absence of policies to the contrary, immigrants tend to cluster. This is unsurprising: established immigrants are the obvious source of information and assistance for new arrivals. In some countries, such as Canada, governments have actively sought to counter this by requiring immigrants to settle in particular locations. Britain briefly attempted such a policy, dispatching a few Somali immigrants to Glasgow. Within weeks one of them was murdered in a racist attack and the policy was understandably

abandoned. But in the absence of policy to the contrary, immigrants to Britain have become steadily more concentrated over time in a few English cities, most especially London. The 2011 census revealed that the indigenous British had become a minority in their own capital. Even within cities there is considerable concentration. According to an index of segregation, Bangladeshis in Bradford are the most spatially concentrated migrant population among thirty-six migrant clusters in Europe. In London migrants have clustered in the inner districts, while the indigenous have moved to the outer districts—the so-called doughnut pattern. Even within Inner London there is a further high degree of concentration. For example, the British census of 2011 revealed that over the past decade the fastest growing borough in the country has been Tower Hamlets, a borough of Inner London, the population of which grew by 26 percent. This growth was largely driven by immigrants from Bangladesh: nearly half of all the Bangladeshis in London live in this one borough, and conversely, over half of the children in the borough are now Bangladeshi.

Separatism also shows up, albeit in a less measurable form, in cultural practices. This is far from universal across immigrant groups and may have more to do with the rise of Islamic fundamentalism than with the policies of host countries. For example, French second-generation Muslim immigrants are less willing than their parents to let their children eat in school canteens.<sup>31</sup> British Bangladeshi women are increasingly adopting the full veil, whereas in Bangladesh itself the veil is not worn: in this case it is clear that immigrants are not hanging on to practices in their society of origin but are differentiating themselves from the indigenous population. In Britain this cultural separatism has led to the suggestion—by none less than the archbishop of Canterbury—that Parliament may need to introduce a parallel legal system based on sharia law. This

would be a precise instance of migrants bringing their institutions with them.

One step on from legal separatism is political separatism: spatial and cultural separatism combine to facilitate it. One manifestation is when the political organizations of countries of origin re-form in host countries. For example, the local government of Tower Hamlets is apparently beset by feuding between the two dominant political parties of Bangladesh: the Awami League and the Bangladesh National Party. While the continued functioning of these Bangladeshi political parties within British politics is kept low profile, a more overt instance is that in 2005 British Muslims created their own political party, Respect. It has so far won two parliamentary by-elections, one in Tower Hamlets, the other in Bradford, both constituencies with very high concentrations of Muslim immigrants. Respect is an overtly Muslim and Asian party, appealing to voters on the grounds of their identity. It is also highly oppositional to the mainstream political parties. In Britain voters can register their vote either in person or by post. In Bradford the Respect Party gained three-quarters of the postal votes. Postal voting, somewhat like an unarmed police force, is a useful appurtenance of civilized society, but one that depends upon unspoken conventions. Postal voting has the potential to breach the principle of the secrecy of the ballot. In family structures in which the head of the family has considerable authority over other members, voting forms filled in at home may be subject to undue influence. Of course, this criticism applies to those indigenous households that are hierarchical; however, this is currently a clear cultural difference between many immigrant households and the indigenous norm.

The local government of Tower Hamlets is currently seeking to upgrade its political status from a borough to a city, which would give it considerably greater powers. Given the spatial concentration

of immigrants, a continued trend toward political separatism would presumably produce cities ruled by immigrant-dominant political parties. This would approximate to the transfer of institutions, at the city level, from poor societies to rich. Somewhat ironically, precisely the opposite proposal is being made by the eminent economist of the growth process, Paul Romer. He shares the analysis that institutions are fundamental to the difference between poverty and prosperity, but adds a simple-sounding solution: *charter cities*.<sup>32</sup> A charter city would be created on territory that the government of a poor country would cede on a long-term lease to be governed under the laws of some developed country. Bangladesh might cede a patch of land to be ruled under the jurisdiction of Singapore, or for that matter of Britain. With the rule of law so secured, Romer predicts that both investors and people would flood in. An irony of Romer-in-reverse—the transfer of institutions from the societies of origin to the host societies—is that, if Romer is correct, what migrants are escaping from, though they may not realize it, is the dysfunctional institutions that as settlers they appear to want to bring with them.

Despite the momentary successes of the Respect Party in Britain, most immigrants do not separate themselves from the indigenous political organizations. Nevertheless, their political affiliations are often highly distinctive. At the 2010 British national election the indigenous electorate voted in favor of the Conservatives by a little more than four to three versus the incumbent Labour Party. In contrast, ethnic minorities voted by nearly one to five in favor of the Labour Party.<sup>33</sup> The voting pattern of immigrants is also distinctive across Europe. In America it is much less distinctive but still proved decisive in the 2012 election. Mitt Romney's somewhat menacing policy of "voluntary repatriation" unsurprisingly alienated many Hispanic voters.



A reasonable criterion for the political integration of immigrants is that their allegiance should broadly mirror that of the indigenous population. Not only is this an indicator of integration, but it is also the least threatening to an established democratic process. Democracy depends upon an alternation of power between parties, so that the overall vote should be roughly equally distributed between the major parties. If, at the other extreme, immigrants all support one particular party and become a substantial voting bloc, the only way in which the balance of power between political parties can be preserved is if the indigenous population votes disproportionately against the party that attracts immigrant support. This has two undesirable consequences.

One is that the inevitably aggressive and abusive rhetoric of political contest is likely to contaminate the issue of immigration: one party, being dependent upon the immigrant vote, will become perceived as pro-immigrant, while the other party, attracting overwhelmingly indigenous votes, will be seen as anti-immigrant. The other is that the alternation of power between parties involves periods in which immigrants are effectively unrepresented in government, and periods in which the party that has won a majority of the indigenous vote loses power because of the distinctive political affiliation of immigrants. Such situations are not hypothetical: in the elections for mayor of London precisely this pattern of allegiance has emerged: the strategies of the political parties reflect the doughnut-shaped distribution of the immigrant and indigenous populations. The distinctive distribution of the immigrant vote is not an inevitable feature of migration, nor is it anybody's "fault," but it is evidently undesirable. Because highly skewed immigrant political support has such undesirable consequences, there is a strong case that political parties should not differentiate themselves on immigration policies. This is one of the policy areas in which a

common approach based upon a shared, evidence-based analysis is preferable. A common approach does not, of course, imply that the mainstream parties should ignore the issue.

### Absorption and Attitudes of the Indigenous Population toward Migrants

Migrants from low-income countries are seldom made welcome in high-income host societies. They have to contend with racism and job discrimination, behaviors that demean their hosts and that can be countered by government policies. Here my focus is on the rate of absorption—the rate at which migrants merge into the indigenous population—and it is evident that such attitudes are liable to be an impediment. Social exclusion encourages separate identity.

Beyond the obvious point that xenophobia on the part of the indigenous is scarcely conducive to absorption, what has social science to contribute? One potentially important recent research result is that a more general attitude of the indigenous population matters, namely the level of trust.<sup>34</sup> The higher the level of trust is on the part of the indigenous population, not just regarding migrants but each other, the easier it is for migrants to integrate. This is scarcely surprising: immigrants are better able to form attachments to their new society—Putnam's "bridging capital"—if the indigenous population is trusting.

But if this is correct, then it introduces a further feedback mechanism into our model. Putnam finds that diversity reduces trust among the indigenous population: people hunker down. Translated into our framework, the larger the unabsorbed diaspora, the lower its trust. But now we must add the feedback effect of this reduction in trust onto the rate at which the diaspora is absorbed. The effect implies that the larger the diaspora is, the slower the

rate of absorption. Absorption is reflected in the slope of the *diaspora schedule*; the slower the absorption is, the flatter it is. Building in this effect twists the schedule clockwise. I show the possible implications in Figure 3.2.

In the first panel the implication is a larger diaspora and a faster rate of migration. In the second, there is no longer a natural equilibrium: without migration controls, the diaspora and the rate of migration keep increasing. In the final panel the feedback effects of the diaspora on trust and back from trust onto absorption are sufficiently strong that beyond a certain size of diaspora, the number of people absorbed from it actually falls. If this happens, then there is a ceiling to the rate of migration. If migration controls exceed this ceiling, the diaspora keeps on expanding indefinitely.

### Absorption and Host-Government Policies

The policies adopted by the host country government can, to an extent, affect the attitudes of both the indigenous population and migrants. Where multiculturalism defined as the maintenance of distinct migrant cultures is official policy, culturally specific social networks among immigrants are accepted and encouraged. Diasporas can become concentrated in a few cities, and some of the schools in these cities may have an overwhelmingly diasporic intake. The

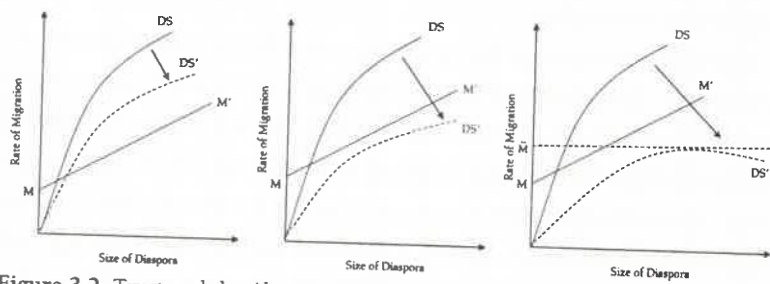


Figure 3.2 Trust and the Absorption of the Diaspora

encouragement of single-ethnicity immigrant schools would have been viewed with a horrified incredulity by the progressives who promoted busing policies for American schoolchildren in the 1960s.

However, while multicultural policies permit and encourage immigrant groups to preserve their cultural and social distinctiveness, policy toward the indigenous population is necessarily different. Well-founded fears of the potential and reality of anti-immigrant discrimination require government strongly to oppose the equivalent networks among the indigenous population. Prior to immigration, the social networks that exist in a country are, inevitably, exclusively indigenous. Antidiscrimination policy essentially forbids such networks: quite properly, they have to become inclusive.

Recent research by Ruud Koopmans finds that the rate of integration is indeed affected by these policy choices.<sup>35</sup> Integration is slower with multicultural policies. Multicultural policies have measurable effects such as a reduced aptitude of migrants in the national language, which we know reduces willingness to cooperate in public goods provision, and increased spatial segregation. Koopmans also finds that generous welfare systems slow integration by tempting migrants into remaining at the bottom of the social ladder. Of course, they also tempt the indigenous population, but they appear to be more tempting for migrants because they are accustomed to radically lower living standards. Even the modest income provided by welfare systems appears attractive, and so the incentive to get a yet higher income by getting a job is weaker. Between them, multiculturalism and generous welfare systems slow integration at home and at work. On Koopmans's figures, both their effects are substantial.

It is easier to build social networks within groups—what Robert Putnam calls “bonding” social capital—than between them—“bridging”



social capital. It is also easier to build social networks in small groups than in large. Hence, the conjunction of multiculturalism and antidiscrimination laws can inadvertently give rise to a paradox: immigrants may be better placed to build bonding social capital than the indigenous population. Immigrants are permitted and encouraged to form tightly knit communities that sustain their culture of origin. Indeed, the term “community” becomes routinely affixed to any people who have emigrated from the same country of origin: as in “Bangladeshi community” or “Somali community.” In contrast, by force of law all indigenous social networks are required to convert from bonding social capital to bridging. As a result, despite suffering the wrenching social upheaval of migration, the typical immigrant belongs to a denser social network than the typical indigene. Perhaps this is why Putnam finds that the indigenous population fragments. People are less bonded into social networks—they “hunker down,” in his phrase. The conjunction of policies of multicultural separatism applied to migrants, and antidiscrimination laws applied to the indigenous population, breaches the golden rule. One group receives treatment that cannot be conceded to the other. But quite evidently, the indigenous population cannot be permitted to maintain exclusive networks: here the integrationist agenda is essential.

The contrast between French and British policies toward immigrant cultural practices as exemplified by veil wearing illustrates the lack of coherence. Veil wearing quite literally destroys mutual regard. In France this was widely recognized as being incompatible with fraternity and so veil wearing was banned. The ban was supported by both communists and the mainstream Right. In Britain, while some politicians across the political spectrum lamented the increase in veil wearing, all parties defined it as an issue of liberty from government interference. But, as the French decision indicates, the liberty to destroy fraternity need not be considered a

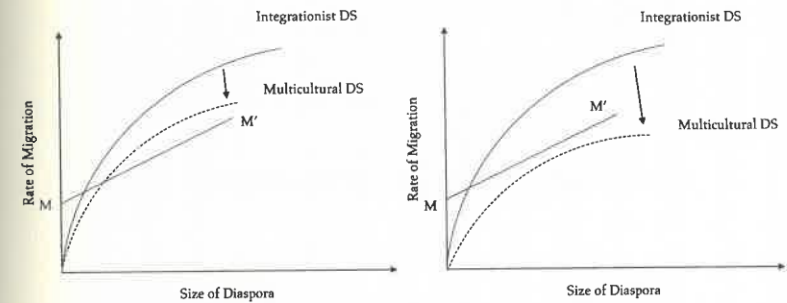


Figure 3.3 Integrationist versus Multicultural Policies in Equilibrium

human right. A consequence of these differences in policy choices is that although Britain has a much smaller Muslim population than France, veil wearing is increasingly common, whereas in France it is nonexistent.

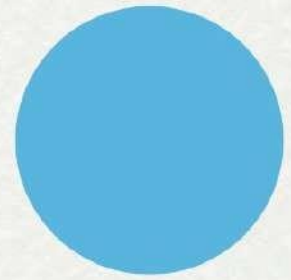
Once again our model can be used to investigate how the choice between integrationist and multicultural policies eventually plays out if migration is allowed to accelerate. Their effect is to alter the absorption rate: integrationist policies raise it; multicultural policies lower it. The slower the rate of absorption, the flatter the diaspora schedule. Slower absorption can play out in two different ways: I show them in Figure 3.3. In the left-hand panel, by slowing absorption, multicultural policies eventually increase both the diaspora and the rate of migration. The right-hand panel depicts another possibility: slower absorption removes the possibility of equilibrium. In the absence of controls, the diaspora and migration both keep increasing.

You may be starting to see the scope for policy blunders. But first it is time to turn to the economic consequences of migration for host populations.

2025

**SESSION 3**

# **Economic Impact**



Economics and Emigration:  
Trillion-Dollar Bills on the  
Sidewalk?

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Does Mass Immigration  
Destroy Institutions? 1990s  
Israel as a Natural Experiment

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## **Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?**

Michael A. Clemens

**W**hat is the greatest single class of distortions in the global economy? One contender for this title is the tightly binding constraints on emigration from poor countries. Yet the effects of these distortions are little studied in economics. Migration economics has focused elsewhere—on *immigration*, how the movement of people affects the economies that receive migrants—while the effects of *emigration* go relatively neglected.

Vast numbers of people in low-income countries want to emigrate from those countries but cannot. The Gallup World Poll finds that more than 40 percent of adults in the poorest quartile of countries “would like to move permanently to another country” if they had the opportunity, including 60 percent or more of adults in Guyana and Sierra Leone (Pelham and Torres, 2008; Torres and Pelham, 2008). Emigration is constrained by many forces, including credit constraints and limited information at the origin (Hatton and Williamson, 2006). However, policy barriers in the destination countries surely play a major role in constraining emigration. The size of these constraints is apparent in the annual U.S. Diversity Visa Lottery, which allocates permanent emigration slots mainly to developing countries. In fiscal year 2010, this lottery had 13.6 million applications for 50,000 visas (U.S. Department of State, 2011)—272 applicants per slot. Many other potential destinations, such as Japan, restrict migration more than the United States.

How large are the economic losses caused by barriers to emigration? Research on this question has been distinguished by its rarity and obscurity, but the few estimates we have should make economists’ jaws hit their desks. When it comes

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to policies that restrict emigration, there appear to be trillion-dollar bills on the sidewalk. The first section of this paper reviews existing estimates of the global gains from the reduction of migration barriers. The gains to eliminating those barriers amount to large fractions of world GDP—one or two orders of magnitude larger than the gains from dropping all remaining restrictions on international flows of goods and capital. These estimates are sensitive to assumptions, and in the following sections I discuss the (limited) available research on four kinds of assumptions that underlie these estimates: how migrants affect nonmigrants, the shape of labor demand, the effect of location on productivity, and the feasibility of greater migration flows. These kinds of questions are not the primary focus of the traditional research agenda in migration economics; at the end of the paper, I speculate about why, and propose a new research agenda.

## Estimates of the Gains From Reducing Migration Barriers

Researchers have built models of the world economy to estimate the gains from eliminating various barriers to trade, capital flows, and migration. [Table 1](#) summarizes several recent estimates for policy barriers to trade, and (to my knowledge) all existing estimates for barriers to capital flows and migration. Even without delving into the details of these studies, the overall pattern is unmistakable and remarkable: The gains from eliminating migration barriers dwarf—by an order of a magnitude or two—the gains from eliminating other types of barriers. For the elimination of trade policy barriers and capital flow barriers, the estimated gains amount to less than a few percent of world GDP. For labor mobility barriers, the estimated gains are often in the range of 50–150 percent of world GDP.

In fact, existing estimates suggest that even small reductions in the barriers to labor mobility bring enormous gains. In the studies of [Table 1](#), the gains from complete elimination of migration barriers are only realized with epic movements of people—at least half the population of poor countries would need to move to rich countries. But migration need not be that large in order to bring vast gains. A conservative reading of the evidence in [Table 2](#), which provides an overview of efficiency gains from partial elimination of barriers to labor mobility, suggests that the emigration of less than 5 percent of the population of poor regions would bring global gains exceeding the gains from total elimination of all policy barriers to merchandise trade and all barriers to capital flows. For comparison, currently about 200 million people—3 percent of the world—live outside their countries of birth (United Nations, 2009).

Should these large estimated gains from an expansion of international migration outrage our economic intuition, or after some consideration, are they at least plausible? We can check these calculations on the back of the metaphorical envelope. Divide the world into a “rich” region, where one billion people earn \$30,000 per year, and a “poor” region, where six billion earn \$5,000 per year. Suppose emigrants from the poor region have lower productivity, so each gains just 60 percent of the simple

*Table 1*  
**Efficiency Gain from Elimination of International Barriers**  
*(percent of world GDP)*

<i>All policy barriers to merchandise trade</i>	
1.8	Goldin, Knudsen, and van der Mensbrugghe (1993)
4.1	Dessus, Fukasaku, and Safadi (1999) <sup>a</sup>
0.9	Anderson, Francois, Hertel, Hoekman, and Martin (2000)
1.2	World Bank (2001)
2.8	World Bank (2001) <sup>a</sup>
0.7	Anderson and Martin (2005)
0.3	Hertel and Keeney (2006, table 2.9)
<i>All barriers to capital flows</i>	
1.7	Gourinchas and Jeanne (2006) <sup>b</sup>
0.1	Caselli and Feyrer (2007)
<i>All barriers to labor mobility</i>	
147.3	Hamilton and Whalley (1984, table 4, row 2) <sup>c</sup>
96.5	Moses and Letnes (2004, table 5, row 4) <sup>c</sup>
67	Iregui (2005, table 10.3) <sup>cd</sup>
122	Klein and Ventura (2007, table 3) <sup>e</sup>

<sup>a</sup> These studies assume a positive effect of trade on productivity; the other trade studies assume no effect.

<sup>b</sup> Change in consumption rather than GDP.

<sup>c</sup> Assumes two factors of production, immobile capital, and no differences in total factor productivity. Estimates from Hamilton and Whalley and from Moses and Letnes cited here assume no differences in inherent productivity of migrants and nonmigrants. Some much smaller estimates in Moses and Letnes assume that poor-country emigrants at the destination are  $\frac{1}{5}$  as productive as nonmigrants at the destination, which (as the authors note in their footnote 12) is certainly extremely conservative.

<sup>d</sup> Computable general equilibrium (CGE) model.

<sup>e</sup> Assumes three factors of production and international differences in total factor productivity in a dynamic growth model.

earnings gap upon emigrating—that is, \$15,000 per year. This marginal gain shrinks as emigration proceeds, so suppose that the *average* gain is just \$7,500 per year. If half the population of the poor region emigrates, migrants would gain \$23 trillion—which is 38 percent of global GDP. For nonmigrants, the outcome of such a wave of migration would have complicated effects: presumably, average wages would rise in the poor region and fall in the rich region, while returns to capital rise in the rich region and fall in the poor region. The net effect of these other changes could theoretically be negative, zero, or positive. But when combining these factors with the gains to migrants, we might plausibly imagine overall gains of 20–60 percent of global GDP. This accords with the gasp-inducing numbers in [Tables 1](#) and [2](#).

This calculation suggests a different kind of sanity check on the global estimates: comparing the price wedges caused by different types of international barriers. If the gains from eliminating barriers to labor mobility are greater than all remaining

Table 2

**Efficiency Gain from Partial Elimination of Barriers to Labor Mobility**

	<i>Removal of barriers</i>	<i>Net emigration rate (% origin-region population)</i>	<i>Efficiency gain (% world GDP)</i>
Moses and Letnes (2004, 2005)	Complete	73.6	96.5
	Partial	29.3	54.8
	Partial	10.3	22.0
Iregui (2005)	Complete	53	67
	Partial	24	31
Klein and Ventura (2007)	Complete	> 99	122
	Partial	14.8	20
	Partial	7.3	10
Walmsley and Winters (2005)	Partial	0.8	0.6
	Partial	1.6	1.2
van der Mensbrugghe and Roland-Holst (2009)	Partial	0.8	0.9
	Partial	2.0	2.3

*Notes:* The Moses and Letnes figures on emigration rates from are from Moses and Letnes (2005) table 9.3; figures on efficiency gains are from Moses and Letnes (2004) table 9, scaled to assume equal inherent labor productivity across countries (for example, 10 percent elimination of wage gap gives \$774 billion gain in table 9, multiplied by the ratio 96.5/9.6 in table 5 to equalize inherent labor productivity, and divided by world GDP gives 22 percent). Iregui (2005) figures are from tables 10.3, 10.6, 10.8, and 10.9. Klein and Ventura (2007) figures are from tables 2 and 7 (emigration rates calculated from population allocations given 80 percent initial population allocation to poor region). Walmsley and Winters (2005) figures from tables 4 and 11, assuming 80 percent of world population starts out in (net) migrant-sending countries. Van der Mensbrugghe and Roland-Holst (2009) figures come from tables 6 and 7, and likewise assume 80 percent of world population starts out in (net) migrant-sending countries. World GDP in 2001 is taken to be \$32 trillion, doubling (in 2001 dollars) to \$64 trillion by 2025.

gains from eliminating barriers to trade and capital flows, we should expect to see proportionately greater international price wedges between different labor markets than between different goods and capital markets. In fact, this pattern is exactly what we see. Typical international trade costs, up to and including the border—not just policy barriers but *all* barriers, including distance, language, currency, and information—are the rough equivalent of a 74 percent ad valorem tariff, according to Anderson and van Wincoop (2004, p. 692)<sup>1</sup>; price wedges between the same goods in different national markets are also of this magnitude (for example, Bradford and Lawrence, 2004). For identical financial instruments, Lamont and Thaler (2003) find that the price rarely differs across the globe by more than 15 percent. Both these wedges look small next to the global price wedges for equivalent labor. In Clemens, Montenegro, and Pritchett (2008), we document gaps in real earnings for

<sup>1</sup> This includes only international trade costs and excludes domestic distribution and retailing costs behind the border.

observably identical, low-skill workers exceeding 1,000 percent between the United States and countries like Haiti, Nigeria, and Egypt.<sup>2</sup> Our analysis suggests that no plausible degree of unobservable differences between those who migrate and those who do not migrate comes close to explaining wage gaps that large.

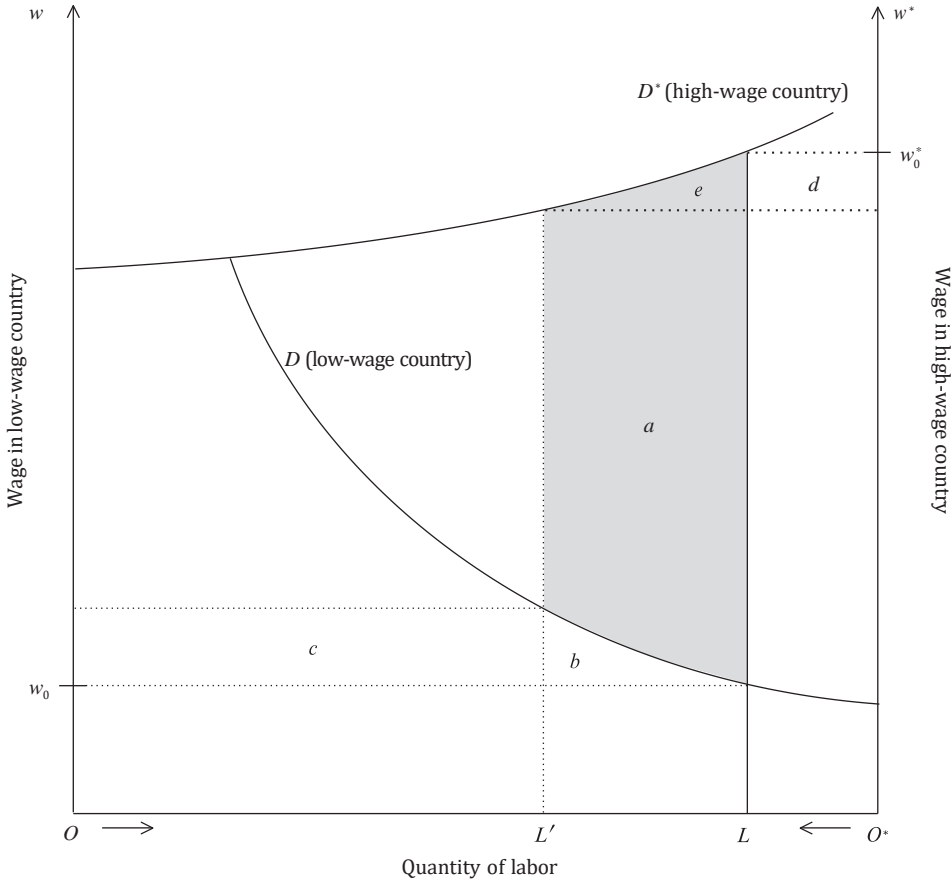
All of this suggests that the gains from reducing emigration barriers are likely to be enormous, measured in tens of trillions of dollars. But of course, the exact magnitudes of the estimates in [Tables 1](#) and [2](#) are highly sensitive to modeling assumptions. For convenience, I will refer to the studies by their initials: Hamilton and Whalley (1984) [*HW*], Moses and Letnes (2004, 2005) [*ML*], Iregui (2005) [*I*], Klein and Ventura (2007) [*KV*], Walmsley and Winters (2005) [*WW*], and van der Mensbrugghe and Roland-Holst (2009) [*VR*]. The backbones of these studies vary from a static partial equilibrium model (*HW* and *ML*), to a static computable general equilibrium model (*I*, *WW*, *VR*), to a dynamic growth model (*KV*). Some have two factors, labor and immobile capital (*HW*, *ML*, *I*), and some allow mobile capital plus third factors and international differences in total factor productivity (*KV*, *WW*, *VR*). Some include extensions that differentiate between skilled and unskilled labor (*KV*, *I*, *WW*, *VR*). Differences among the models' conclusions hinge critically on how the effects of skilled emigration are accounted for; the specification and parameters of the production function (and thus the elasticities of supply and demand for labor); assumptions on international differences in the inherent productivity of labor and in total factor productivity; and the feasible magnitude of labor mobility.<sup>3</sup> Assumptions on the mobility of other factors matter a great deal as well; in *KV* the majority of global efficiency gains from labor mobility require mobile capital to "chase" labor—as described by Hatton and Williamson (1994).

To understand what underlies these various estimates of the gains from greater labor mobility, we need better information about at least four features of these models: 1) What are the external effects of (especially skilled) emigrants' departure on the productivity of non-emigrants? Many of the above estimates rest on the assumption that this effect is small or nil. 2) What is the elasticity of labor demand, in the origin and destination countries? Are these studies getting it about right? 3) How much of international differences in productivity depend on workers' inherent traits—accompanying them when they move—and how much depends on their surroundings? Is productivity mostly about who you are, or where you are? 4) Finally, given the many barriers that prevent emigration today, what future level of emigration is feasible?

<sup>2</sup> Here, "observably identical" means 35 year-old urban males with 9–12 years of education, born and educated in the country of origin.

<sup>3</sup> Some of the estimates in the original papers assume that workers from the poorest countries working in rich countries are inherently and permanently one-third as productive (Hamilton and Whalley, 1984) or one-fifth as productive (Moses and Letnes, 2004) as workers born in rich countries. This assumption seems extraordinarily conservative (as Moses and Letnes point out in their footnote 12). The model of Klein and Ventura (2007) is extended to describe the transition to steady state in Klein and Ventura (2009).

**Figure 1**  
**Determinants of the Gains from Emigration**



Note: The migrants gain welfare corresponding to area  $a + b$ . In the low-income country, labor gains area  $c$ ; owners of other factors (say, capital and land) lose area  $b + c$ . In the high-income country, labor loses area  $d$ ; owners of other factors gain area  $d + e$ . In sum, the global welfare gain is  $a + e$ , the shaded area.

**Figure 1** illustrates the importance of the answers to these questions. Following Bhagwati (1984), consider a world with two countries—one with low wages and one with high wages. Wages for the low-wage country are on the left-hand vertical axis, and the quantity of labor in that country is measured from left to right, from  $O$  to  $L$ . The labor demand curve there is  $D$ . Wages for the high-wage country are measured on the right-hand vertical axis, and quantity of labor in the high-wage country is measured right to left from  $O^*$  to  $L$ . The labor demand curve there is  $D^*$ . Thus, world labor supply is the entire length of the horizontal axis  $OO^*$ . Initial wages in each country are  $w_0$  and  $w_0^*$ . If completely free migration were allowed, the wage rate between the two countries would equalize at the point where the labor demand



curves intersect. An increase in migration—say by having the workers between  $L$  and  $L'$  migrate from the low-income to the high-income country—leads to a relatively small decrease in the wage rate for the high-income country, a relatively small rise in the wage rate for the low-income country, and a large rise in income for the migrants themselves. Migrant workers gain; nonmigrant workers gain in the low-income country and lose in the high-income country; owners of other factors (such as capital and land) lose in the low-income country and gain in the high-income country. Adding up these welfare effects, global welfare rises by an amount corresponding to the shaded area of the figure.

The figure makes it clear how the answers to the four questions above shape the size of the global welfare gain. If emigration exerts negative externalities on nonmigrants, the gain could be offset by consequent downward shifts in both demand curves. If labor demand becomes highly elastic at the origin or at the destination, the gain shrinks. To the extent that emigrants are *inherently* less productive than nonmigrant workers at the destination, the true demand curve for their labor lies further below  $D^*$ , and the gain also shrinks. Finally, as the size of feasible migration shrinks,  $L'$  gets closer to  $L$ , and once again, the gain shrinks.

In the following sections, I will consider each question in turn. I argue that, for most of them, economists need much more evidence than we have, but that the existing evidence gives us little reason to believe that the numbers in [Tables 1](#) and [2](#) greatly overstate the gains to lowering migration barriers.

### **Question 1: What are the External Effects of Migrants on Nonmigrants?**

Begin with the country of origin. The departure of some people—such as the skilled or talented—from a poor country might reduce the productivity of others in that country. Such an effect would tend to offset the gains from emigration. Externalities like these are often assumed to be so pervasive that the literature refers to skilled migration with a pejorative catchphrase—“brain drain”—embodying the assumption. (To see why economists should avoid this term, picture reading a journal article on female labor force participation that calls it the “family abandonment rate.”) In this issue, Gibson and McKenzie review and critique this literature.

But it is not well-established under what conditions the emigration of skilled workers results in a net depletion, in equilibrium, of the stock of skilled workers in the origin country. Mountford (1997), Stark, Helmenstein, and Prskawetz (1997), and a subsequent literature theorize that when emigration to high-wage countries becomes possible, even when it is costly and uncertain, the expected value of human capital rises for all potential migrants. Because not all of those who were thus encouraged to invest will leave, the existence of an emigration option for some people can tend to raise the human capital stock at home. Macro and micro studies suggest that this effect is real and large enough to substantially offset the departures

in some settings (Beine, Docquier, and Rapoport, 2008; Chand and Clemens, 2008; Batista, Lacuesta, and Vicente, 2011; Docquier and Rapoport, forthcoming).

But for the sake of argument, consider cases where skilled emigration unambiguously lowers the stock of human capital at the origin. A broad theoretical literature posits that human capital externalities shape the development of poor countries (for example, Romer, 1990; Kremer, 1993; Lucas, 1988). If positive human capital externalities are real and large, it is possible that the depletion of human capital stock via emigration inflicts negative externalities on nonmigrants. However, these externalities have proven difficult to observe, their theoretical basis remains unclear, and their use to justify policy remains shaky. I will discuss each of these in turn.

Human capital externalities are, it turns out, hard to locate and measure in the wild. The most commonly cited example of externalities that emigrants might impose on those remaining in the origin country involves healthcare workers. But if human capital externalities from health workers were a first-order determinant of basic health conditions, African countries experiencing the largest outflows of doctors and nurses would have systematically worse health conditions than other parts of Africa. In fact, those countries have systematically better health conditions (Clemens, 2007). More broadly, if the external effects of schooling were major and straightforward determinants of economic development, the vast increases in schooling levels across the world since 1960 would have been accompanied by a substantial rise in total factor productivity. As Pritchett (2001) points out, nothing like that happened in poor countries.

These facts do not negate the existence of human capital externalities. But they do suggest that externalities from national stocks of human capital per se—all else equal—might be small enough for their effects to be swamped by other forces.

Furthermore, the theoretical mechanisms of human capital externalities are poorly established in the literature, which has few conclusions in general and even fewer for developing countries (Ciccone and Peri, 2006). Potential mechanisms for human capital externalities include knowledge spillovers, research and development, physical health, political leadership, fertility, and capital accumulation (for example, Meng and Ye, 2009; Canton, 2009; Spilimbergo, 2009). Docquier, Özden, and Peri (2010) find that the effects of emigration on nonmigrants depend critically on the assumed mechanisms of human capital externalities. If economists are to understand, measure, or predict the external effects of emigration, they require greater clarity about these mechanisms.

For example, the external effects of emigration on nonmigrants depend crucially on the spatial extent of human capital externalities, which is poorly understood. If the external effects of human capital act over short distances—such as a doctor's care—the effects on nonmigrants from the emigration of human capital per se might be small. Most doctors in many African countries already work in cities (and in nicer neighborhoods), so the marginal effect of their international emigration on people in rural areas and slums could be limited (Clemens, 2009). On the other hand, if the external effects of human capital act over large distances—such as by the generation of public goods like new ideas that can flow back home—this too diminishes the external effects of emigration per se (Kerr, 2008).

Here is another example of the need for greater clarity: Let us assume that greater inequality has negative external effects, perhaps by fostering crime and mistrust. It is conceivable that emigration could exert external effects on nonmigrants by raising inequality—if for instance a few families with relatives abroad get big remittance flows. But if this is an argument for restricting migration, it proves a little too much. Inequality of remittance income would be lower if no families had this opportunity *or* if all families had this opportunity. So it is not clear whether a little emigration is “too much” or “too little” by this criterion. Furthermore, if a man from Morocco triples his income by moving to France, the effects on inequality of outcomes within Morocco and within France are both contingent: they depend on where in Morocco’s income distribution he came from, and where in France’s income distribution he goes to. But the effects on inequality of outcomes for France and Morocco *collectively* almost certainly declines. Does international inequality exert worse external effects than domestic inequality? Both theory and evidence are lacking here.

Even if the mechanism and magnitude of these external effects were crystal-clear, there are important concerns about policy instruments that would address the externalities by limiting or taxing migration flows: whether it is practical to set correct Pigovian taxes, statically or dynamically, and the extent to which the assumptions justifying Pigovian taxes hold here.

An economic case for emigration taxes or restrictions based on human capital externalities would require fabulous amounts of information. A social planner selectively restricting skilled emigration from each country would need a vast database of domestic labor market conditions for hundreds of skilled occupations, as well as reliable estimates of the socioeconomic externalities conveyed by those of different professions in different locations at different times: entrepreneurs, nurses, engineers, and others.<sup>4</sup> In practice such restrictions end up indiscriminate—such as the policy of the United Kingdom’s National Health Service to ban recruitment from most developing countries, regardless of conditions there. The optimal future timepath of such restrictions is even less clear. Should the emigration of skilled workers from the Democratic Republic of the Congo, one of the poorest countries on Earth, be “temporarily” restricted so that those workers’ positive externalities somehow spark growth

<sup>4</sup> Ng (2004) makes this argument formally: In the presence of an externality that cannot be directly removed, achieving a second-best welfare outcome via intervention (such as a Pigovian emigration tax) can be impossible if: 1) there are multiple substitute/complement relationships of unknown direction and sign among different goods in the market; and 2) the costs of administering the intervention are large. Ng (p. 202) does argue that a probabilistic “third-best” outcome may be achievable if there is at least good information on the size and sign of the original externality, but poor information on the size and sign of other relationships in the economy. Thus, if we held diffuse priors about the harm to emigrants from restricting emigration, but narrow priors about the positive effects on non-emigrants from restricting emigration, a probabilistic third-best outcome might be achievable by emigration restrictions. But regulating emigration based on human capital externalities faces the opposite situation: the magnitude of the harm to potential emigrants from emigration restrictions is clearly negative and can be large, whereas the size and sign of the human capital externalities that the intervention seeks to correct are theoretically and empirically uncertain.

there? Even if that happened—for which there is no clear economic evidence—such “temporary” restrictions might need to last for centuries before Congo caught up to the destination countries and the restrictions became unnecessary.<sup>5</sup>

What is more, policy measures to tax or limit emigration often rest on assumptions that bear closer examination. In one of the best-known proposals, Bhagwati and Dellalgar (1973) argue for a Pigovian tax on skilled emigration, to compensate their countries of origin (for additional discussion, see Bhagwati and Hamada, 1974; Wilson, 2008). Their argument is that skilled workers convey a positive externality on other workers in the same country, such as facilitating the adoption of foreign technologies. Their argument does not rest on fiscal effects, such as the loss of public subsidies for tuition spent on those who later emigrate, but rather on the pure external effects of having smart and talented people nearby.

There are at least two fundamental problems with this idea. First, it assumes that skilled labor emigration is not already taxed. But many skilled workers face binding migration restrictions that are the economic equivalent of large taxes. The United States strictly rations its visas for temporary and permanent employment-based skilled migration, especially from large countries like India, and most physicians from the developing world face large nonvisa migration barriers such as the requirement to repeat medical residency for U.S. licensing. Just as nontariff trade barriers have a tariff equivalent, quotas and licensing restrictions on the movement of skilled workers have a migration tax equivalent. International gaps in real earnings for high-skill workers are very high: 500–1,000 percent for some professors, computer programmers, and health workers (Clemens, 2009). Even if only a small fraction of these gaps is due to policy restrictions, the economic equivalent of a large emigration tax is already broadly applied.

Second, Coase (1960) taught us that the mere existence of an externality does not imply that a Pigovian tax maximizes welfare. In a world of transaction costs and externalities, welfare is maximized if the property right is assigned to the party with a higher cost of reducing the externality. Requiring skilled emigrants to pay a tax, rather than requiring non-emigrants to pay potential emigrants to stay, assigns ownership of emigrants’ positive externalities to non-emigrants. But in settings of skilled emigration, it is not obvious who bears the higher cost. Taxing an emigrant Filipino registered nurse at 10 percent of foreign income per year for 10 years might raise \$40,000.<sup>6</sup> But the all-inclusive cost of eliminating the external effect by a different

<sup>5</sup> Real per capita income in the United States is now 150 times real per capital income in the Democratic Republic of the Congo (as measured by the World Bank at purchasing power parity). Assume (hero- ically!) that human capital externalities are enormous, so that restricting emigration from Congo could raise its real per capita growth rate from roughly zero to about 4 percent per year. Given that real per capita growth in the United States is historically about 2 percent per year, it would take about two and a half centuries before emigration restrictions became unnecessary.

<sup>6</sup> Bhagwati and Dellalgar (1973) suggest a tax of 10 percent on the after-U.S.-tax income of skilled emigrants from low-income countries working in the United States. Assuming an annual income in the United States of \$60,000 and U.S. tax rate of 30 percent, such an emigration tax would yield \$42,000 over 10 years.

route—training a new registered nurse in the Philippines—can be less than \$12,000. The former policy might be globally impoverishing relative to the latter.

Further complications arise from the implicit assumption that non-emigrants hold property rights in the positive externalities of skilled migrants. If non-emigrants own these rights, do they also own any negative externalities the emigrants would have provided by staying—like contributions to urban congestion or to pollution? And who decides whose positive externalities are owned by whom? Presumably, an American doctor's decision not to provide care in Haiti causes the same loss of positive externality to Haitians as a Haitian doctor's decision to leave Haiti, but few would consider taxing the American doctor's decision.

So far I have discussed externalities at the origin, as this piece seeks to shine light on emigration rather than immigration. But I now turn briefly to the issue of negative externalities imposed on people who already live at the destination when migrants arrive there. The arrival of migrants could, for example, decrease the availability of unpriced public goods at the destination like open space, clean air, publicly-funded amenities, and a degree of cultural homogeneity that may be valued by nonmigrants. These too would tend to reduce the global welfare gains of greater mobility.

Economics knows little about the mechanisms and magnitudes of such externalities at the destination, particularly under large-scale emigration. These deserve study. But there is little reason at present to think that they would greatly alter the message of [Tables 1](#) and [2](#). First, the literature contains no documented case of large declines in GDP or massive declines in public-service provision at the destination caused by immigration. Second, century-old issues of the *American Economic Review* and the *Journal of Political Economy* extensively discuss concerns that any further emigration might degrade the American economy and society (for example, Hall, 1913; Kohler, 1914). Since then the American population has quadrupled—with much of the rise coming from increasingly diverse immigration to already settled areas—and the United States remains the world's leading economy, with much greater availability of publicly-funded amenities than a century ago. Third, there are also many plausible positive externalities from increased immigration. These include spatial aggregation economies in high-skill labor (for example, Glaeser and Maré, 2001) and the effects of low-skill labor availability on the productivity of high-skill labor, particularly women's labor (for example, Kremer and Watt, 2009; Cortes and Tessada, forthcoming). Fourth, all serious economic studies of the aggregate fiscal effects of immigration have found them to be very small overall—small and positive at the federal level (Auerbach and Oreopoulos, 1999; Lee and Miller, 2000), small and negative at the state and local level (Congressional Budget Office, 2007).

Here again, even if we had solid evidence that immigration exerted clear and large net negative externalities to those at the destination, an economic justification for internalizing those externalities with quotas or taxes would face unanswered questions. If people's taste for cultural homogeneity justifies limits on immigration from abroad, could a taste for cultural homogeneity also justify blocking certain



kinds of internal migration to a neighborhood or city that has, to its current residents, a pleasing degree of cultural homogeneity? This raises further difficult issues of the extent to which preferences for homogeneity are endogenous to exposure, so that greater immigration might alter the pre-existing preference. And returning to the issue of property rights, any taxes or quotas to internalize the negative externalities of immigration at the destination require an assumption: that migrants are responsible for their *negative* externalities at the destination. But as I have discussed above, some economists assume that migrants' home countries—not the migrants themselves—own migrants' *positive* externalities at the origin. It is doubtless possible, with some effort, to lay out a theory in which societies own the positive externalities of migrants in their origin country but societies are not the owners of *negative* externalities of migrants in their destination country. The economics literature has barely begun to address these issues.

In short, there is little in the admittedly scanty literature so far to support the notion that externalities from labor mobility would greatly affect the global welfare estimates presented earlier in this paper.

## **Question 2: What is the Elasticity of Labor Demand at the Origin and Destination?**

Economists studying international migration have given much of their energy to estimating how the movement of emigrants affects the wages of nonmigrants. For example, does the arrival of immigrants lower wages for incumbent workers? In a U.S. context, Borjas (2003) and Borjas and Katz (2007) argue that low-wage workers do experience a modest decline in nominal wages from immigration. On the other side, Card (2009) and Ottaviano and Peri (forthcoming) find that millions of recent immigrants to the United States have caused the average worker's nominal wages to decline a few percent—if at all—while Cortes (2008) finds that immigration lowered the price of a typical consumption basket about half of 1 percent. The mass migrations of the nineteenth century likely caused a cumulative decline of 1 or 2 percentage points each decade in wages at the destination (Hatton and Williamson, 1994).

Conversely, does the departure of emigrants raise the wages of non-emigrants in the origin country? Mishra (2007) finds that the vast emigration of Mexicans to the United States between 1970 and 2000 may have caused an 8 percent increase in Mexicans' nominal wages in Mexico. Economic historians have evidence that comparable increases in home wages were caused by mass emigration from Sweden (Karlström, 1985) and Ireland (Hatton and Williamson, 1993; O'Rourke, 1995).

These estimates are roughly in line with the elasticities used in the global welfare estimates of [Tables 1](#) and [2](#). For example, in the model of Moses and Letnes (2004), a 10 percent removal of emigration barriers generates a 3–4 percent increase in wages for non-emigrants at the origin, and a 2.5 percent decline at the destination. Even substantial adjustment of these elasticities is unlikely to alter the estimated efficiency gains a great deal.

Of course, these elasticities could be different at much higher levels of emigration. The literature gives no clear support for such a pattern, however, even under greatly increased migration. In historical cases of large reductions in barriers to labor mobility between high-income and low-income populations or regions, those with high wages have not experienced a large decline. For example, wages of whites in South Africa have not shown important declines since the end of the apartheid regime (Leibbrandt and Levinsohn, 2011), despite the total removal of very large barriers to the physical movement and occupational choice of a poor population that outnumbered the rich population six to one. The recent advent of unlimited labor mobility between some Eastern European countries and Great Britain, though accompanied by large and sudden migration flows, has not caused important declines in British wages (Blanchflower and Shadforth, 2009).

Further, even if emigrants modestly depress wages when they arrive at the destination, this does not justify restricting movement by the standard welfare economics analysis. Such effects represent “pecuniary” externalities rather than “technical” externalities. The human capital externalities discussed in the previous section, along with common examples like belching smokestacks, are examples of technical externalities. Pecuniary externalities, in contrast, operate through the price mechanism: for example, my decision not to place a bid on the house you are selling may lower the price you can receive from an alternative buyer. Pecuniary externalities are a near-universal feature of economic decisions. In standard economic analysis, they offer no welfare justification for taxation or regulation of those decisions.<sup>7</sup> □

For example, research on domestic labor movements has found—to the surprise of few—that movement of labor from one city to another tends to modestly lower wages at the destination (Boustan, Fishback, and Cantor, 2010), and that the entry of women into the labor force can modestly lower men’s wages (Acemoglu, Autor, and Lyle, 2004). However, no economist would argue that these facts alone signify negative externalities that reduce social welfare and should be adjusted with a Pigovian tax on those who move between cities or on women entering the workforce, because these externalities seem to be almost purely pecuniary. Similarly, economists would be virtually unanimous against imposing a tax on new domestic competitors on the grounds that they imposed costs on existing firms, because again such externalities are pecuniary. Of course, this argument need not imply that policies to help low-wage U.S. workers in some manner are socially undesirable, only that such policies should be based on concerns over equity or building human capital, rather than on standard efficiency justifications.

<sup>7</sup> This classification can be subtle. For example, McKenzie and Rapoport (forthcoming) find that some children in Mexico drop out of high school as a result of the emigration of a household member. Should we treat this finding as an externality? If the behavior occurs because those children see that the returns to emigration are much higher than the returns to education, then their behavior need not impose an externality. However, a negative externality could arise if high school graduates in Mexico convey substantial positive technical externalities on other workers. The literature has not established the theoretical extent or empirical magnitude of such externalities.

### **Question 3: Is Labor Productivity Mostly about Who You Are, Or Where You Are?**

Existing estimates of the efficiency gains from greater emigration hinge on a critical assumption: How productive will migrants be at the destination? Many have low productivity where they now are, in poor countries. How much of that low productivity moves with them? Klein and Ventura (2007) assume that migrants' productivity is about 68 percent of the productivity of nonmigrants at the destination; Moses and Letnes (2004) estimate scenarios where this number is anything from 20 to 100 percent. The assumption has first-order effects on their efficiency estimates.

We can observe the earnings of today's migrants in destination countries to learn something about their productivity. The question is how these marginal migrants would differ from average migrants under larger-scale migration. Future migrants could be more positively or more negatively selected than today's migrants, with regard to observable or unobservable determinants of productivity. Selection on observable traits is easier to measure; selection on unobservables is harder.

This question is closely linked to the question of whether international differences in productivity are explained by differences in people or differences in places. If an emigrant to a rich country is more productive than an observably identical worker who stayed in a poor country, there are two broad explanations. One is that the emigrant is different in unobservable ways from the non-emigrant; this argument is compatible with a high degree of positive selection in migration and little influence of location itself on productivity. The other is that the emigrant is not that different in unobservable ways from the non-emigrant; this argument is compatible with less positive selection in emigration, and a large effect of location on productivity.

Empirical work is beginning to attack this problem. One approach is to use more sophisticated structural models to account for selection in macroeconomic estimations (Ortega and Peri, 2009; Grogger and Hanson, 2011). A complementary approach is to find natural experiments that identify the extent of selection on unobservables in microeconomic settings (summarized by McKenzie and Yang, 2010). Examples of the latter include McKenzie, Gibson, and Stillman (2010), who use a naturally randomized visa lottery to show that the gains from emigrating from Tonga to New Zealand are only somewhat lower than the simple wage difference for observably identical workers inside and outside Tonga—in other words, there is little unobserved self-selection in those who emigrated. In Clemens (2010), I also use a naturally randomized visa lottery to show that large gains to overseas work experienced by Indian software workers cannot be primarily the result of unobserved positive self-selection in those workers.

While this literature is actively evolving, in no case has one of these recent and rigorous studies identified a country pair for which large differences in earnings across the border can be mostly accounted for by self-selection of workers (migrant or otherwise) who cross the border. Numerical simulations using U.S. census microdata on immigrants (Hendricks, 2002) and combined U.S. and foreign microdata (Clemens, Montenegro, and Pritchett, 2008) have shown that plausible degrees of

positive selection are insufficient to explain more than half the earnings gap between workers in the United States and observably identical potential migrants abroad. Sophisticated survey data do not find positive emigrant selection on unobservable determinants of earnings to much exceed 50 percent in any case that has been studied (Jasso and Rosenzweig, 2009; Kaestner and Malamud, 2010; Fernández-Huertas, 2011; Ambrosini, Mayr, Peri, and Radu, 2011).

These initial results accord well with an entirely separate macroeconomic literature (for example, Hall and Jones, 1999) which finds that most of the productivity gap between rich and poor countries is accounted for by place-specific total factor productivity, not by productivity differences inherent to workers. Large differences in location-specific total factor productivity mean that free movement of goods and capital cannot by themselves achieve the global equalization of wages, as they can in the most abstract trade models (O'Rourke and Sinnott, 2004; Freeman, 2006; Kremer, 2006).

In other words, the existing evidence, preliminary and spotty though it is, gives no reason to believe that a better accounting for unobserved differences in the determinants of productivity between migrants and nonmigrants would greatly alter the preceding estimates of efficiency gains from greater labor mobility.<sup>8</sup>

#### Question 4: What Future Level of Emigration Is Feasible?

The extent of feasible emigration depends on the willingness of politicians at potential destinations, acting as agents for their electorates, to allow immigration. About 59 percent of people in the United Kingdom tell pollsters that there are currently “too many” immigrants; in Italy it is 53 percent, in the United States 37 percent, in France 33 percent, in Germany and the Netherlands 27 percent, and in Canada 17 percent (German Marshall Fund, 2010).

The global gains in aggregate economic welfare in [Figure 1](#) mask the consequent redistribution between labor and other factors, and between labor at different levels of skill. If the median voter at the destination holds relatively little capital or skill, this could limit the willingness of citizens and politicians in that country to reduce impediments to emigration from poor countries. Noneconomic attitudes such as nationalism can also play an important role. Mayda (2006) finds that it is the wealthier, better-educated, and less-nationalist individuals in rich destination countries who have more favorable attitudes toward immigration.

<sup>8</sup> In fact, the emerging evidence on selection suggests that some of the estimates of gains from emigration are small because they are too conservative. Walmsley and Winters (2005), for example, assume in their base scenarios that migrants from low-productivity countries to high-productivity countries acquire only half of the difference in productivity between the two countries. That is, they assume that the difference in productivity between observed non-emigrants at the destination and observed non-emigrants at the origin overstates by 100 percent the true productivity effect of emigration on new emigrants. None of the existing estimates suggests that the magnitude of selection—in the limited cases that have been studied—is close to that large.

A substantial expansion of emigration may thus seem politically impractical, and within a time frame of a few years, this objection holds some force. But the global efficiency gains from even small relaxations of existing barriers to emigration are large relative to the gains from further relaxation of barriers to trade and capital flows (as shown earlier in Table 2).

Furthermore, economists should be open to the possibility that dramatic changes in what is practical can happen over several decades. After all, changes in geographic labor mobility that were unthinkable only a few decades ago have come to pass. Through the 1980s, a Polish national attempting to emigrate to West Germany could be shot by soldiers sealing the Inner German border from the east. Today, Polish jobseekers may move freely throughout Germany. The world has summarily discarded vast systems of restrictions on the labor mobility of medieval serfs, slaves, women, South African blacks, indigenous Australians, and a long list of others.

Even modest expansions of emigration have provided great benefits for large numbers of people. In Clemens and Pritchett (2008), my coauthor and I show that among the people born in Haiti, Mexico, or India who live above a (uniform, purchasing power parity–adjusted) international poverty line, large fractions live in the United States. For example, among Haitians who live either in the United States or Haiti and live on more than \$10/day measured at U.S. prices—about a third of the U.S. “poverty” line—four out of five live in the United States.<sup>9</sup> Emigration from Haiti, as a force for Haitians’ poverty reduction, may be at least as important as any economic change that has occurred within Haiti.

Economic policy might help ease political constraints. Several economists have proposed policy mechanisms to compensate nonmigrants at the destination for declines in welfare, by charging immigrants a tax—the figure \$50,000 often comes up—or auctioning work permits (including Becker and Becker, 1997; Freeman, 2006; Orrenius and Zavodny, 2010; Fernández-Huertas and Rapoport, 2010). All of these, in one way or another, seek to minimize the number of “losers” from labor mobility by moving from the Kaldor–Hicks concept of optimality—which is that social gains are sufficient so that it would be potentially possible to compensate losers—toward Pareto optimality, in which parties that would otherwise be losers receive actual compensation. Mechanisms like this might alleviate some of the political constraints to greater labor mobility.

<sup>9</sup>That figure probably overestimates the effect of migration on Haitians’ poverty, since there is evidence of some positive selection of Haitian emigrants on observable and unobservable determinants of earnings (Clemens, Montenegro, and Pritchett, 2008). But even strong assumptions about highly positive selection would still leave emigration as the cause of a large fraction of the poverty reduction that has occurred for people born in Haiti. In addition, this estimate tends to understate the effect of emigration on poverty reduction—because it does not count Haitians who emigrated to countries other than the United States; because part of the poverty reduction for non-emigrants could have been caused by remittances, in turn caused by emigration; and because the estimate was made before a 2010 earthquake crushed Haiti’s economy.



## **A Research Agenda Whose Time Has Gone**

The four questions above outline a research agenda on emigration with which I will conclude this paper. But first I want to contrast that new agenda with the old agenda in the literature we have now, and speculate about why that old agenda has dominated so far.

Start talking about the welfare benefits and costs of emigration at any research or policy meeting on migration and economic development, and the conversation turns quickly to two topics: “brain drain” and workers’ remittances. These have been the primary focus of research on the relationship between emigration and global economic development, and not coincidentally, they are the focus of the other two papers in this symposium. Both issues are important. Yet neither of these approaches shows much promise as a way of better understanding the global efficiency gains from greater emigration. I have already discussed the reasons why the literature on migration and human capital externalities has not yielded good reasons to alter existing estimates of the gains to greater emigration. I turn now to the literature on remittances.

Global flows of remittances are rising toward \$400 billion per year (Mohapatra, Ratha, and Silwal, 2011). This trend has helped to launch a large and valuable research literature, presented and discussed by Dean Yang in this issue. But remittances are typically a small fraction of emigrants’ foreign wage, especially for permanent emigrants (van der Mensbrugghe and Roland-Holst, 2009). To a first approximation, remittances are intrahousehold transfers that cross borders, and the reasons that people send remittances (Rapoport and Docquier, 2006) are broadly the same as the reasons people make other intrahousehold transfers (Laferrère and Wolff, 2006). If a Mexican woman experiences an income gain from working in Mexico, the whole value of that gain adds to her household’s welfare—both the portion she consumes and the portion she shares with her husband. This social welfare calculation is unaffected if she experiences an income gain by stepping over the Mexican border into Texas.

In short, barriers to emigration have a first-order effect on welfare; any barriers to flows of remittances have only a second- or third-order effect on welfare. But the literature has gone into great detail about the smaller effects, frequently investigating whether the welfare effects of remittances are attenuated by any withdrawal of remittance recipients from the labor force (for example, Cox-Edwards and Rodríguez-Oreggia, 2008) or by any consequent appreciation of the sending-country exchange rate (for example, Amuedo-Dorantes and Pozo, 2004; Vargas-Silva, 2009).

Why has the literature focused so much more on the relatively small and uncertain effects of remittances and “brain drain” than on the relatively massive and likely global effects of migration—including the benefits for the migrants themselves? Perhaps many economists consider the estimates of efficiency gains in [Table 1](#) to be self-evident and thus not worthy of much study. But the review above suggests we have much to learn about those estimates. I suspect the reason lies elsewhere.

Perhaps the literature focuses on remittances and “brain drain” because those effects more obviously pertain to national welfare than individual welfare.

Focusing on national welfare is a grand old tradition in economics—older, indeed, than the work of Adam Smith, who prominently inserted “the wealth of nations” into the title of his great book. Economists in the long-ago mercantilist tradition largely agreed that the goal of economic policy was to encourage national production and exports, to discourage imports, and thus to bring specie into the country. To this end, they advised encouraging manufactured exports and discouraging raw material exports, to generate domestic employment (Heckscher, 1935[1955]; Irwin, 1996, p. 34). The classic work of Furniss (1920, p. 8) draws out the implications of mercantilist assumptions for labor: Raising export revenue requires mass production at low cost. High manufacturing employment at low wages requires a moral duty for low-income people to work in manufacturing and a moral duty for high-income people to preferentially consume domestic manufactures. In this view, the emigration of labor only affects national welfare to the extent that it encourages or discourages home production and exports. The mercantilist writer Josiah Child (1668 [1751], pp. 146–7), for example, argued that any emigration to colonial plantations “is certainly a damage, except the employment of those people abroad, do cause the employment of so many more at home in their mother kingdoms, and that can never be, except the trade be restrained to their mother kingdom . . .”

Economic research carried out under this set of working assumptions would focus on estimating the extent to which emigration tends to raise origin-country production (such as through remittances, minus the consequent labor force withdrawal) or tends to lower origin-country production (such as through “brain drain”). Little attention would be reserved for the gains to migrants. This, in very broad strokes, describes the bulk of extant literature on the economic effects of emigration. I am far from the first to claim a link between the mercantilist tradition and economics’ preoccupation with suspected negative, within-country effects from emigration.<sup>10</sup> After Furniss (1920, p. 54), this link has been explicitly made by Nobel laureate Ted Schultz (1978); Charles Kindleberger (1986) when he was president of the American Economic Association; and one of the great scholars of migration and economic growth, Brinley Thomas (1973, pp. 1–6); among many others.<sup>11</sup> □

<sup>10</sup> Incidentally, the leading economic research on *immigration*—not the focus of this essay—looks quite different. Under mercantilist assumptions, any wage-depressing effects of immigration at the destination would raise that country’s welfare by increasing the competitiveness of its manufactured exports. But the centerpiece of the immigration literature is the anti-mercantilist suspicion of immigration’s deleterious effects on labor. I have no explanation for the difference other than to point out that the modern immigration literature was founded by microeconomic labor economists such as George Borjas and David Card. The modern literature on economic growth and development overseas, in contrast, was founded by researchers with a primarily macroeconomic focus such as Alexander Gerschenkron, Paul Rosenstein-Rodin, and Robert E. Lucas.

<sup>11</sup> Others include Hovde (1934), Hamilton (1940), Shepperson (1953), Middendorf (1960), O’Brien (1966), Letiche (1969), Jeremy (1977), Dowty (1986), Backhaus and Wagner (1987), Davis (1988), de Soto (1989, p. 201), and Mokyr and Nye (2007).

## A New Research Agenda On Emigration

The available evidence suggests that the gains to lowering barriers to emigration appear much larger than gains from further reductions in barriers to goods trade or capital flows—and may be much larger than those available through any other shift in a single class of global economic policy. Indeed, “some big bills have not been picked up on the routes that lead from poor to rich countries” (Olson, 1996). Research economists, however, write relatively little about emigration. The term “international trade” is 13 times more frequent than “international migration” in all the published article abstracts contained in the Research Papers in Economics (RePEc) archive. Furthermore, economists focus on arrival, not departure: in RePEc, “immigration” is four times as frequent as “emigration.”

It should be a priority of economic research to seek a better characterization of the gains to global labor mobility and to investigate policy instruments to realize a portion of those gains. The four questions in this paper suggest one structure for that agenda. We clearly need a better theoretical and empirical understanding of human capital externalities; the dynamics of labor demand under large-scale migration flows; the magnitude and mechanisms of the effect of workers’ location on their productivity, relative to the effect of workers’ inherent traits on their productivity; and the policy instruments that might make greater labor mobility possible. Many of the outstanding questions are discussed by Pritchett (2006), Rosenzweig (2006), Hanson (2009), and Docquier and Rapoport (forthcoming).

Complicating the empirical portion of this agenda is the fact that even basic statistics on international migration are often unavailable to economists (Commission on International Migration Data for Development Research and Policy, 2009). Detailed statistics are either held confidential by governments or not collected at all, and publicly-released data can be a mess of incomparable time periods, modes of migration (temporary vs. permanent, entries vs. individuals, and other categorizations), and definitions of occupations. Just estimating bilateral stocks of migrants at a single point in time, even without any other information about those migrants, is a costly enterprise requiring heroic assumptions and massive imputation (Parsons, Skeldon, Walmsley, and Winters, 2007). Publicly available international migration statistics have roughly the quality of international trade statistics in the 1960s. As occurred in international trade, investing in migration data collection and compilation must be part of the research agenda.

If this additional research tends to confirm that barriers to emigration place one of the fattest of all wedges between humankind’s current welfare and its potential welfare—no doubt with a number of useful caveats—then understanding and realizing the gains from emigration deserve much more research priority. Emigration’s literature remains scattered; emigration’s *Wealth of Nations* unwritten; emigration’s Ricardo undiscovered.

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## Does Mass Immigration Destroy Institutions? 1990s Israel as a Natural Experiment\*

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### ABSTRACT

The relaxation of emigration restrictions in the Soviet Union and the State's subsequent collapse led to a large exogenous shock to Israel's immigrant flows because Israel allows unrestricted immigration for world-wide Jews. Israel's population increased by 20 percent in the 1990s due to immigration from the former Soviet Union. These immigrants did not bring social capital that eroded the quality of Israel's institutional environment. We find that economic institutions improved substantially over the decade. Our synthetic control methodology indicates that it is likely that the institutional improvement would not have occurred to the same degree without the mass migration. Our case study indicates that immigrant participation in the political process is the main mechanism through which the migration caused institutional change.

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## **Does Mass Immigration Destroy Institutions? 1990s Israel as a Natural Experiment**

### **I. Introduction**

The theory that international trade in goods and services increases efficiency and the long-run wealth of a nation is one of the most established in economics. However, the basic analytical idea driving the theory, comparative advantage, applies equally to international trade in labor as it does in goods and services (Freeman 2006). But international trade in labor, immigration or emigration, differs in one important way from goods and services trade: goods and services that move across borders cannot vote, protest, riot, or otherwise impact the public policies of the countries they move to but immigrants can. This paper examines how a mass migration from a former communist country impacted a destination country's institutions by taking advantage of the exogenous shock to immigration flows to Israel created by the fall of the former Soviet Union.

The forecasted economic gains that could be achieved if all of the world's countries eliminated quantitative restrictions on immigration are massive. Estimates range from 50 to 150 percent of world GDP (Clemens 2011). Even migration of just 5 percent of the world's poor to wealthier countries would boost world GDP by more than could be gained by completely eliminating all remaining trade barriers to goods and services and capital flows (Clemens 2011).

However, immigration could also impact a destination countries' institutions and institutions are an important fundamental cause of economic development (Rodrik, Subramanian and Trebbi 2004). If immigrants from poorer countries import the very social capital that supports institutions that are responsible for poverty in their origin countries, then they could undermine the institutions of destination countries in a way that destroys destination countries'



production functions. This argument is known as the “new economic case for migration restrictions.”

Borjas (2015) begins to develop this argument by asking the question, “What would happen to the institutions and social norms that govern economic exchanges in specific countries after the entry/exit of perhaps hundreds of millions of people” (2015: 961)? In his recent book he succinctly states the problem and the state of our knowledge about it:

As the important work of Acemoglu and Robinson (2012) suggests, “nations fail” mainly because of differences in political and economic institutions. For immigration to generate substantial global gains, it must be the case that billions of immigrants can move to the industrialized economies without importing the “bad” institutions that led to poor economic conditions in the source countries in the first place. It seems inconceivable that the North’s infrastructure would remain unchanged after the admission of billions of new workers. Unfortunately, remarkably little is known about the political and cultural impact of immigration on the receiving countries, and about how institutions in these receiving countries would adjust to the influx (2014, p. 169).

Borjas provides a number of simulations showing how varying degrees of importation of bad institutions impacts the projected global gain from unrestricted immigration. He shows that these “general equilibrium effects can easily turn a receiving country’s expected (static) windfall from unrestricted migration into an economic debacle” (2015: 972).

Collier (2013) shares Borjas’ fears. He worries that immigrants might import both institutions and cultural characteristics that are responsible for their poverty. “Migrants are essentially escaping from countries with dysfunctional social models... The cultures -- or norms and narratives -- of poor societies, along with their institutions and organizations, stand suspected of being the primary cause of their poverty” (2013: 34).

Collier offers anecdotes of these impacts in Great Britain but offers no systematic examination of whether the hypothesized negative importation actually occurs. And Borjas' simulations offers no empirical evidence that the negative externality he simulates does, in fact, exist. A handful of papers have begun empirically estimating the impact of immigration on destination country institutions and productivity.

Ortega and Peri (2014) examined a cross-section of countries to estimate how stocks of immigrants impacted incomes and total factor productivity in destination countries. Using a two-stage least-squares instrumental variables approach they find that a 10 percentage-point increase in the immigration stock (approximately a standard deviation) is associated with a doubling of long-run per-capita income. They find that the increase in incomes is caused mainly by an increase in total factor productivity. Although they do not directly measure whether current immigrants impact institutions, their findings cast doubt on claims that immigrants bring social capital that harms destination countries' formal institutions or culture in a way in which total factor productivity is harmed.

Clemens and Pritchett (2016) also attempt to answer the new economic case for migration restrictions by examining how migration impacts total factor productivity in destination countries. They use data on three key parameters, transmission (the extent to which origin country total factor productivity is embodied in the immigrants), assimilation (that rate at which migrants productivity becomes like natives over time), and congestions (the degree to which transmission and assimilation change at higher migration stocks) to model dynamically efficient migration rates. Their evidence implies

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a substantial reduction on current migration restrictions would improve efficiency but that the optimal quantity would still fall short of open borders.

Clemens and Pritchett is an important response to the new economic case for immigration restrictions because it is able to estimate effects beyond the effect that current stocks of immigration have had on total factor productivity and project effects at rates of immigration higher than observed in the world today. However, the response is limited by the fact that the transmission and assimilation parameters are measured by gaps and changes in immigrants' income earnings. Income gaps and changes in those gaps may tell us little about external effects of immigrants on the total factor productivity of natives if deterioration in institutional quality is the primary channel through which immigrants impact the productivity of others. The economic case for open borders is stronger than Clemens and Pritchett imply if income differentials may be explained by differences in private good human capital while there exists no differences in public good human capital that would lower the institutional quality and thus productivity of natives. Conversely, the economic case for immigration restrictions would remain intact despite Clemens and Pritchett's evidence if there are persistent public good human capital beliefs that lower the quality of institutions which do not assimilate as rapidly as private good human capital as measured by wage assimilation.

Clark et al. (2015) was the first paper to directly examine whether immigrants undermine a measure of institutions that has been shown to be an important cause of high living standards and economic growth. They examine how migration impacts countries' economic institutions using the *Economic Freedom of the World Annual Report*. They study how the initial stock of immigrants in 1990, and the subsequent 20 year flow of

immigrants, impacted the change in countries' economic freedom in a cross section of 110 countries from 1990 to 2011. Rather than institutional deterioration, they find a positive and statistically significant relationship between both initial stocks, and flows of immigrants, with economic freedom. Their estimates are also economically significant. For instance, in one specification they find that a one standard-deviation higher immigration stock increases economic freedom by 0.34 points 20 years later and using an estimate for the impact of economic freedom on growth (Gwartney, Holcombe, and Lawson 2006), this suggests that a higher immigrant share of this magnitude will generate a 0.45 percentage point higher long-run annual growth rate. In their 32 reported regressions they do not find a single instance of a negative and statistically significant relationship between immigration and economic freedom.

Clark et. al. (2015) is an important first step in studying how immigrants impact destination country institutions since, as Borjas put it, "Unfortunately we know little (read: *nothing*) about how host societies would adapt to the entry of perhaps billions of new persons," (2015: 967, emphasis original). Knowing how existing stocks and flows of immigrants have impacted institutions is a start but that impact has occurred in a world of managed migration. The percent of the population that were immigrants across the 110 countries in Clark et. al. ranged from essentially zero to 77 percent but averaged only 7.4 percent. This same limitation applies to Ortega and Peri who measure total factor productivity (2014). Perhaps the levels of migration in these samples has not reached a critical mass that would negatively impact institutions. Perhaps there is a selection bias in which immigrants are admitted that would not be present in a world of open borders. Clemens and Pritchett (2016) avoid the limitations of

examining only existing stocks and flows of migration but are limited by the inability to estimate external effects of immigrants that are not embodied in their wage differentials.

Empirically examining how open borders would impact institutions in the modern world (rather than in the 19<sup>th</sup> century where free migration existed but societies were less developed and travel was more difficult) is difficult because virtually all developed countries today have substantial restrictions on mass migration. Israel is an important exception. Israel has immigration restrictions on non-Jews but the “Law of Return” allows all worldwide Jews to immigrate to Israel regardless of their current country of origin.

The next section examines the merits and demerits of 1990s Israel as a case study that has implications beyond a story of  $n = 1$ . A number of political scientists (Gerring 2007; Lieberman 2005; Sekhon 2004; Tarrow 1995, 2010) have called for using quantitative methods to complement qualitative case studies in comparative analysis, so section III employs a synthetic control methodology to compare Israel’s institutional evolution during the period of mass migration to a “synthetic Israel” that does not experience the mass migration. The case study in section IV documents examines the causal mechanisms through which mass migration impacted institutions. The final section concludes.

## **II. Israel as a Natural Experiment in Mass Migration**

Numerous economic studies have used the migration from the former Soviet Union (FSU) into Israel in the 1990s as a natural experiment. This mass migration has been used as a natural experiment to study the impact of immigrants on wages and labor market outcomes (Friedberg 2001, Cohen-Goldner and Paserman, 2006, 2011, Borjas and Monras 2016), housing markets (Vlist and Czamanski 2011), and prices (Lach 2007). The Israeli situation is unique because the Law of Return was established in 1951 and then nearly 40 years later, the collapse of



the Soviet Union provided a large exogenous shock to Israel when its prohibitions on emigration were lifted and the country subsequently collapsed.

The 1990s saw a 20 percent increase in Israel's population due to an influx of Jews from the former Soviet Bloc (See Figure 1). In 1990 alone, Russian immigration increased the population by four percent. For comparison, immigration to the United States at the turn of the 20<sup>th</sup> century averaged 1 percent annually (Friedberg 2001: 1375). Israel provides us with a unique case of a modern economy with a welfare state that experienced a mass migration that was not generated by a change in its own immigration policies.

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This natural experiment has two features that make it particularly well suited to analyze the negative importation of social capital that could undermine institutions that concerns Borjas and Collier. First, and most obviously, all of these immigrants were coming from a country with a more than 70 year history of socialism and the associated anti-capitalist propaganda. If the immigrants were to agitate politically based on the ideology of their origin country it would clearly have the potential to undermine Israel's democratic and more capitalistic institutions.

Second, and particularly importantly, Israel provides the easiest situation for immigrants to directly impact the political process. The Law of return allows Jewish immigrants to have full citizenship, including the right to vote and to run for office, from the day they arrive in Israel. As will be described in in the next section, the immigrants from the FSU quickly took full advantage of these rights.

There are also two drawbacks for using Israel as a case study to address the concerns of Borjas and Collier. First, and most obviously, Israel's open borders policy only applies to world-wide Jews and, at the time, the ruling elite and much of Israeli society desired a mass migration

of European Jews. Secondly, these migrants probably possess a different mix of human capital from what could be expected from mass migrations from third-world countries.

There is no doubt that the political leadership of Israel desired the mass migration of Jews from the FSU. Jewish leaders were enthusiastic about the wave of Russian immigrants when it began because they were worried by the higher fertility rate among the Arabs and African and Middle Eastern Jews compared to the Ashkenazi Jews who were the country's ruling elite. In 1990 Prime Minister Yitzhak Shamir told a group in Tel Aviv "Just when many among us were saying that time is working against us, time has brought us this Aliya and has solved everything. In five years we won't be able to recognize the country. Everything will change – the people, the way they live – everything will be bigger, stronger. The Arabs around us are in a state of disarray and panic" (Quoted in Al-Haj 2004: 182). Meanwhile the leader of his opposition, Shimon Peres, stated "I am convinced that the mass Soviet immigration is one of the greatest things occurring to our people" (Quoted in Al-Haj 2004: 182).

The overall veteran Jewish population also viewed the immigrants positively in both 1990 and in 1999 (Al-Haj 2004: 191).<sup>1</sup> However, Mizrahi Jews, who generally are of a lower socio-economic status, much like those who directly compete with immigrants in other countries, were against the mass migration from the Soviet Union because of fears of a slow economy and increasing unemployment (Al-Haj 2004: 182). The Mizrahi Jew's lack of support for the immigrants stems from the fact they thought that their existing relative disadvantaged status in terms of housing, employment, and upward mobility, would be further weakened by the immigrants and that these immigrants would divert government resources away from helping them (Al-Haj 2004: 184).

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<sup>1</sup> A 1990 survey found that Ashkenazi Jews were most supportive and Arabs least supportive of immigration from the Soviet Union with Mizrahi Jews falling in between (Al-Haj 1993: 296).

Despite the desire of much of the Israeli population to attract Jews from the FSU for cultural reasons there is good reason to believe that despite the “Jewish” makeup of these immigrants that they do represent a case of “normal” immigration that could serve to undermine institutions.

There was initially a lack of clarity of who qualified as a “Jew” under the Law of Return, so the law was amended in 1970 to clarify that all Jews, as well as any non-Jew spouses of a Jew, non-Jewish children and grandchildren of a Jew and their spouses, are eligible under the Law of Return, thus the right of migration and citizenship was extended to many who were not Jewish according to *halakhah* (Jewish religious Law) (Weiss 2001). As a result, the majority of the immigrants from the FSU were non-religious Jews. As Al-Haj summarized from his surveying of the immigrants,

These immigrants relate to the Jewish component of their identity in a way that does not manifest a religious-orthodox meaning. It is rather a secular form of identity, largely detached from *halakhah*. This is manifested in other findings about immigrants’ religiosity. The vast majority (74%) are secular, to judge by their self-identification, attitudes, and actual behavior; 24.6% are traditional and only 1.4% are religious (2004: 102).

Similarly, Chernyakov, Gitelman, and Shapiro studied immigrants from the FSU in three cities in 1992-93 and found that “at present, not more than 6 percent of the adult Jews can be called, with a reasonable degree of certainty, believers in the Jewish faith” (Chernyakov, Gitelman, and Shapiro 1997:2 95).

Not surprisingly then, the majority of these immigrants did not migrate to be part of the Zionist project. In fact, when surveyed, 49 percent said they would have migrated elsewhere if it had been feasible (Al-Haj 2004: 101).

The immigrants from the FSU were not only religiously heterogeneous compared to the veteran Israeli population but they were also linguistically and culturally distinct. In the 1979 Soviet census only 14.2 percent of the Soviet Jewish population claimed a Jewish language as their mother tongue and another 5.4 percent claimed it as a second language, while 97 percent of Soviet Jews spoke Russian (Al-Haj 2004: 74). As a result, by 1995 there were 50 Russian language newspapers and periodicals being published in Israel (Leshem and Lissak 2000: 47) and in his survey Al-Haj finds that, for the majority of the immigrants from the FSU, Russian language media broadcasting from both Russia and Israel is the major source of their information and entertainment (2004: 100).

Similarly, most immigrants felt that it was important to maintain their Russian culture. When surveyed, 88 percent said it was important for their children to be familiar with Russian culture and 90.6 percent said it was important or very important for their children to know the Russian language (Al-Haj 2004: 108). Al-Haj also “found that a substantial number of these immigrants still have a strong nostalgia for and social and cultural ties to their country of origin and a deep pride in their original culture coupled with a sense of superiority to Israeli culture” (2004: 219).

These facts have led scholars such as DellaPergola (1998) to argue that Jewish migration to Israel is not a unique form of migration because of its ideological Zionist motivations but is instead largely motivated by political, economic, cultural, and demographic factors just as typical migrations are. As Al-Haj summarizes from his surveys of the immigrants,

Based on their characteristics and motivation, the 1990s newcomers from the FSU should be classified as “normal” immigrants rather than “olim.” In other words, this wave of immigration was motivated not by Jewish-Zionist ideology but by pragmatic cost-benefit considerations. Like other typical migration flows, the members of this group were motivated mainly by “push factors” in their home countries – notably political and economic instability, concern for their children’s

future, increasing trends of extremism, nationalism, and antisemitism, and their desire to look for better opportunities outside the FSU (Al-Haj 2004: 100).<sup>2</sup>

Similarly, Frankel observes that “The ideological factor governing the actions of many of the (Russian) immigrants to Israel in the nineteen seventies was largely absent from this group (1990s). Indeed many were deeply unhappy to have to live in Israel and made their decision *faute de mieux*. Furthermore, among the many who arrived during the later period were numerous spouses and in-laws who were not Jewish, not even a little bit. Their proportion was far higher than in the earlier period” (2012: 181).

One important caveat remains. Despite the relative poverty of the immigrants from the FSU compared to the veteran Israeli population it would be a mistake to characterize it as a mass migration of unskilled workers. Among the FSU immigrants to Israel between 1990-1999 there were 90,718 engineers and architects; 19,737 physicians, dental surgeons, and dentists; and 21,643 nurses and paramedical workers. 30.4% of the immigrants were scientific and academic workers in the FSU (Al-Haj 2004: 161). Along these lines, Kimmerling (1998) argues that the immigrants from the FSU had human capital that was very similar to the Ashkenazi middle class in Israel.

Any individual case study is bound to have some unique elements that limit the degree to which we can generalize the findings from it. In the case of the mass immigration to Israel from the FSU, it would seem that the primary concern, that the migration was religiously and culturally homogeneous with the population of the destination country, is unfounded. The Jews who migrated are best classified as normal immigrants. However, the fact that the immigrants

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<sup>2</sup> He also notes that most studies of the 1990s wave consider them to be normal immigrants rather than olim (ideologically motivated) (Al-Haj 2004: 86).



were relatively well educated and skilled coming from a second world country rather than uneducated and coming from a third-world country should be kept in mind.

#### **IV. Case Study: How Migration Changed Institutions**

There are three primary ways that mass immigration could impact a destination country's economic institutions. Mass migration could impact institutions by:

- 1) Decreasing social trust in a way that erodes the rule of law and security of property rights
- 2) Changing the policy views of the native born population on the appropriate role of existing economic institutions

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<sup>6</sup> For a few recent examples see: March et al. (forthcoming), Ryan and Powell (forthcoming), Bologna and Young (2016), Clark et al. (2015), O'Reilly and Powell (2015).

- 3) Immigrants holding policy views that are different than the native born population on the appropriate role of economic institutions and participating in the political process in order to change the role of economic institutions to better match the preferences of the immigrants.

The first of these mechanisms does not appear to have occurred in the case of mass migration from the FSU. Prior studies have found a negative relationship between ethnic, linguistic, or religious fractionalization, and public goods provision (for example, Easterly and Levine 1997, Alesina, Baqir, and Easterly 1999). Perhaps, most relevant for this mass migration is prior research that has found that immigrants increase corruption in destination countries when they come from corruption-ridden countries (Dimant, Krieger, and Redlin, 2013). If immigrants were negatively impacting institutions through these channels it would appear in our measure of security of property rights and the rule of law (which also contains measures of corruption). Yet it is this area of economic freedom that we see the biggest improvement, 83 percent, during the period of mass migration.

Most prior research on how immigration might impact the policy views of the native born population has focused on the role of the welfare state. Razin, Sadka, and Swagel (2002) provide a median voter model that relies on relative income position, rather than ethnic fractionalization, to predict that native-born tax payers will shift their preferences away from high-tax high-benefits more than immigrants who join the pro-tax pro-benefits coalition at the bottom of the income distribution. They study 11 European countries from 1974 to 1992 and find that a higher share of low-education immigrants in the population leads to lower social transfers and lower rates of taxation on labor. However there is also a literature in sociology that finds that immigration increases people's perception of greater risk of unemployment (despite the consensus of the economics literature that there is no such effect) and that people favor a more generous social safety net as a result. Brady and Finnigan (2013) is the most

comprehensive and recent of these. They study the effect of both the stock and the flow of immigrants on six measures of the population's views of the welfare state from 1996 to 2006. Their evidence fails to support the view that immigrants make the native born more hostile to the welfare state and provides some evidence in support of the view that immigration makes the native born desire the government to provide a more generous social safety net. In the case of mass migration to Israel it doesn't appear to have altered the native born population's beliefs about the desirable size of the welfare state. This could be, in part, because of the Zionist belief that it is the State's obligation to take care of Jews when they first "return" to Israel. The fact that our measure of size of government deteriorated because of an increase in transfer spending during the period of mass migration and then later recovered to its pre mass migration level after immigrant absorption was complete is an indication that the transfers and subsidies increased because of the sheer number of new arrivals rather than a change in the desired role of the welfare state.

We believe that the main mechanism through which the mass migration impacted economic institutions was through the immigrants' exercise of their right to participate in the political process. A migration from the FSU amounting to 20 percent of Israel's total population, coupled with full citizenship and political rights, is nearly guaranteed to play a role in institutional evolution in Israel via the immigrants' impact on determining the outcomes of elections that ultimately determine policy. Even from the very beginning of the migration, before the sheer numbers of migrants built up, Israel's political equilibrium was particularly susceptible to being influenced by the new arrivals. However, unlike the fears outlined by Borjas and Collier we find evidence that the immigrants desired policies and institutions that

were the opposite of the policies and institutions that caused low factor productivity in their origin country.

The 1984 election resulted in a grand coalition government because the Labor-led left block tied with the Likud-led right bloc. The grand coalition of these two major parties and some smaller parties had broken down by 1990 (Doron 1996: 42). These two major parties had been at nearly equal strength from the late 1980s going into the period of mass migration beginning in the 1990s (Al-Haj 2004: 134). As a result, the immigrants could shift the position of the median voter almost immediately. As Fein (1995) observed, “As early as 1992 it was clear that they could determine the outcome of the election of the Prime Minister.” In fact, the alternation between Labor and Likud Prime Ministers each election in the 1990s in favor of the opposition candidate (Rabin in 1992, followed by Netanyahu, followed by Barak) has been attributed to swings in the Russian immigrant vote based on their dissatisfaction with their economic absorption leading them to vote against the incumbent (Al-Haj 2004: 135, Frankel 2012: 180).

At the beginning of the period of mass migration the “conventional wisdom was that Russian Jews would have no association with the socialist Labour Party, since they were supposed to be averse to everything connected with socialism... the Likud Party’s Russian language electoral propaganda for the 1992 election attacked the Labour Party’s policy as ruinous socialism with empty slogans, red flags and May Day Parades” (Siegel 1998: 144). However it was the Russian immigrants’ vote that helped put the Labor government in power in 1992. But this was not an indication of their preference for socialist policies. It was “more as a protest against the policy of the Likud government, which ‘did not do much for aliya’, than out of support for socialism” (Siegel 1998: 145). In fact, as Shindler describes it, “Voters were



distinctly uninterested in building socialism..." during Rabin's campaign, "even the party colour was changed from socialist red to patriotic blue. All this appealed to the 260,000 Soviet immigrants who were eligible to vote. They had had enough of the hollow claims of the apparatchiks back in the USSR" (Shindler 2008: 228). Instead, the migrants were responding to the Labor party's campaign that "focused on the widespread feeling that the earlier Likud government had fumbled the absorption effort" (Siegel 1998: 144).

Yet, when it came to actual economic policy, a vote for Labor over Likud, by 1992 meant little. The differences between the Labor and Likud in their support for socialism compared to capitalism had narrowed considerably by the time migrants were voting in elections. As Doron describes, "By the 1992 election, the two major political parties adopted privatization as the most salient policy option for the improvement of individual economic and social welfare. Since then, the reduction in the scope of government involvement in the economy has rested on an almost universal agreement by most leading Israeli politicians" (1996: 47). It seems inconceivable that both parties would begin favoring economic liberalism at a time when mass migration could so easily change electoral outcomes unless those very immigrants were mostly in favor of liberal economic policies.

Although both major parties courted the immigrants' votes, neither included a single new immigrant on their list of candidates in the 1992 election.<sup>7</sup> New immigrant parties, Democracy and Aliya, Tali, Am Ehad, and Yad be-Yad, were formed in response but none received the 1.5 percent of the votes required for a seat in the Knesset (Siegel 1998: 45). Despite the immigrant parties' lack of electoral success it set the precedent of party formation for the new immigrant parties that would form in 1995.

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<sup>7</sup> Israel has a proportional electoral system where people vote for party lists and parties earn seats in proportion to their share of the popular vote. Seats are then awarded to candidates according to where they were positioned on their party's list.

The Israel in Aliya political movement that would ultimately become a political party, had substantially more success than the 1992 immigrant parties. Siegel reports that, "According to the press secretary of the movement, almost all the political parties approached Scharansky (the movement leader) with proposals of cooperation. In contrast to the political leaders of the Russian Jewish movements in the previous election, Israel in Aliya was accepted into Israeli politics" (Siegel 1998: 159). Though an immigrant party, the movement was perceived to be very close with the Likud Party (Siegel 1998: 163).

The Party of Aliya was formed in 1995 as an alternative Russian political party to the Israel in Aliya party. "Aliya members promoted the message that though it was important to bring in more Russian Jews (as Scharansky claimed), it was even more important to demand social and economic reforms so that these new immigrants would have a chance to lead a normal life in Israel" (Siegel 1998: 164). However, when one compares the programs of these two Russian parties it is obvious that they made essentially the same demands for socio-economic reforms (Siegel 1998: 165).

The two major parties took notice of the increased power of the new immigrant parties prior to the 1996 election. In response to the formation of these immigrant parties, "The Russian lobbies inside the Labour and Likud parties warned that if action was not taken to persuade the immigrants that 'they can contribute to their better integration in Israeli society', the electoral damage to the major parties could be devastating... Many young Russian Jewish immigrants of the Great Immigration were recruited to the 'Russian' staff of every political party" (Siegel 1998: 169).

The FSU immigrants clearly made their votes heard in the 1996 elections. The immigrant Israel in Aliya party won seven seats (out of 120) in the Knesset. When the winning

Likud party formed Israel's 27<sup>th</sup> government in 1996 they included Israel in Aliya as a member of the coalition government. This coalition government would remain in power and determine policy until the 1999 elections. By 1999, another Russian immigrant party, Israel Beitenu, had been formed. In that election the two Russian parties combined to capture 10 seats in the Knesset (six for Israel in Aliya and four for Israel Beitenu) while the Russian voter turnout rate of 84.7 percent exceeded the nationwide average of 78.7 percent (Al-Haj 2004: 137-138). Most Russian immigrants (57 percent) voted for one of the two main Russian parties and Likud received the next highest share of their votes (14 percent) (Al-Haj 2004: 138).

In evaluating the voting behavior of the immigrants from the FSU in the 1990s it is accurate to claim that, "In general, the new immigrants tended to back the right-wing parties, and, as the nineties progressed, their voting power was palpable" (Frankel 2012: 179). However, "Both the right-wing and left-wing Zionist camps have become highly dependent on them [immigrants], which has allowed them [immigrants] to up the ante in political bargaining and to easily shift allegiance from one camp to the other" as well (Al-Haj 2004: 136).

The immigrants from the FSU influenced electoral outcomes through the creation of immigrant parties and a generally right-wing bent while not being adverse to switching loyalties between main parties to increase their leverage. Overall, as Al-Haj assessed the situation, "FSU immigrants in Israel have successfully penetrated the political system at the group level and become legitimate part of the national power center within a few years of their arrival" (Al-Haj 2004: 209). The sheer number of migrants, their rapid integration, and successful political mobilization "all have set Israel in a new direction" (Siegel 1998: ix). That new direction included an improvement in Israel's economic institutions.

## **VI. Conclusion**

The mass migration from the FSU to Israel during the 1990s, that increased Israel's population by 20 percent, provides a unique natural experiment to study how mass migration from a country with very different political and economic institutions can impact the institutions in a destination country. The migration resulted from the exogenous shock of the relaxation of emigration restrictions in the Soviet Union and the State's subsequent collapse rather than any change in Israeli immigration policy. Israel is unique because it maintains an open borders migration policy for world-wide Jews, yet the immigrants from the FSU are largely considered "normal" immigrants motivated by "push factors" rather than religious or Zionists motivations. Israel is also unique in that it allows Jewish immigrants full citizenship and voting rights immediately upon arrival in Israel.

The immigrants from the FSU quickly became a political force by shifting the median voter, forming their own political parties, and eventually participating in the ruling coalition government. But despite these immigrants bringing human social capital with them that was influenced by a more than 70 year history of lack of democratic and economic freedoms in the FSU they did not influence Israel's institutional evolution in the direction of their origin country's institutions.

Israel's economic institutions made great strides in the direction toward greater economic freedom and away from socialism while the immigrants influenced the political process. The overall transformation of economic freedom in Israel during the period of mass migration and the five years immediately following it resulted in Israel catapulting from 15 percent below the

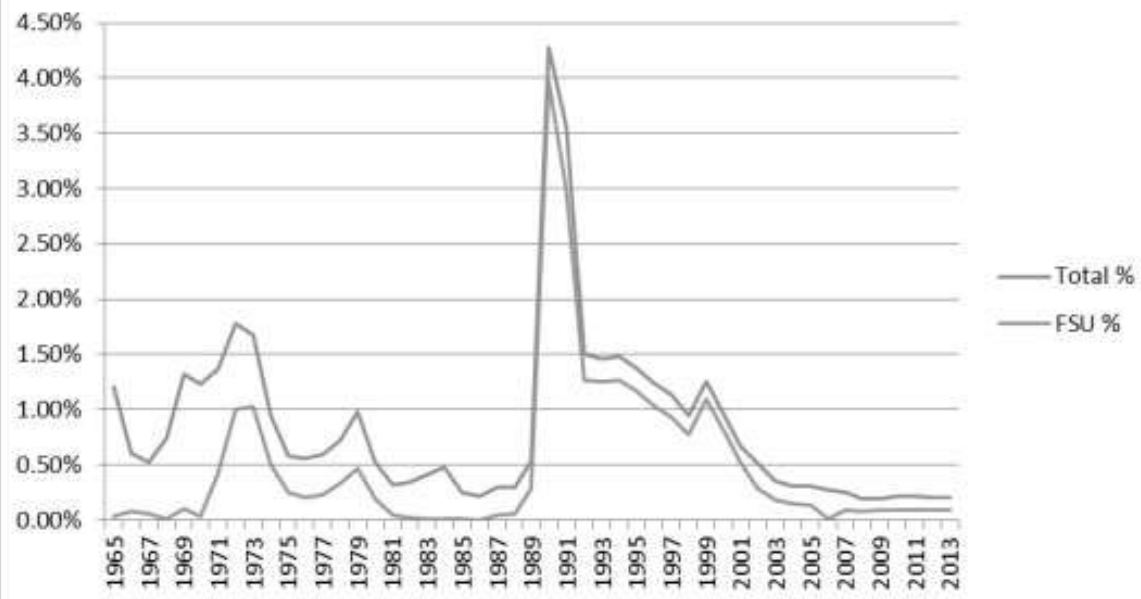
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global average in economic freedom to 12 percent above average and improving its ranking among countries by 47 places.

Any case study must obviously be interpreted with caution. This study finds that unrestricted mass migration from an origin country with inferior political and economic institutions coincided with the enhancement of the economic institutions in the destination country. By coupling a case study methodology, that documents immigrant participation in the institutional evolution, with a synthetic control methodology, to assess the counterfactual, we have reasonable confidence that rather than mere correlation, the mass migration helped to cause the improvement of economic institutions. At a minimum, we have documented a case where mass migration failed to harm institutions in a way that many prominent social scientists fear that such a migration would.

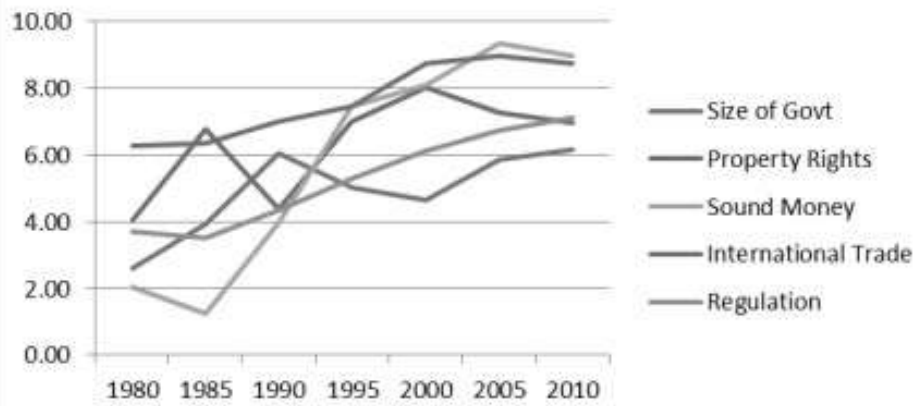
This finding in no way proves that in every case unrestricted migration would not harm destination country institutions. However, as a complement to Clark et. al. (2015) that found in a cross country empirical analysis that existing stocks and flows immigrants were associated with improvements in economic institutions, it should increase our skepticism of claims that unrestricted migration would necessarily lead to institutional deterioration that would destroy the estimated “trillion dollar bills” that the global economy could gain through much greater migration flows.

**Figure 1: Annual Migration as a Percent of the Population**





**Figure 2: Israel Economic Freedom Components**



**Figure 3: Economic Freedom Scores**

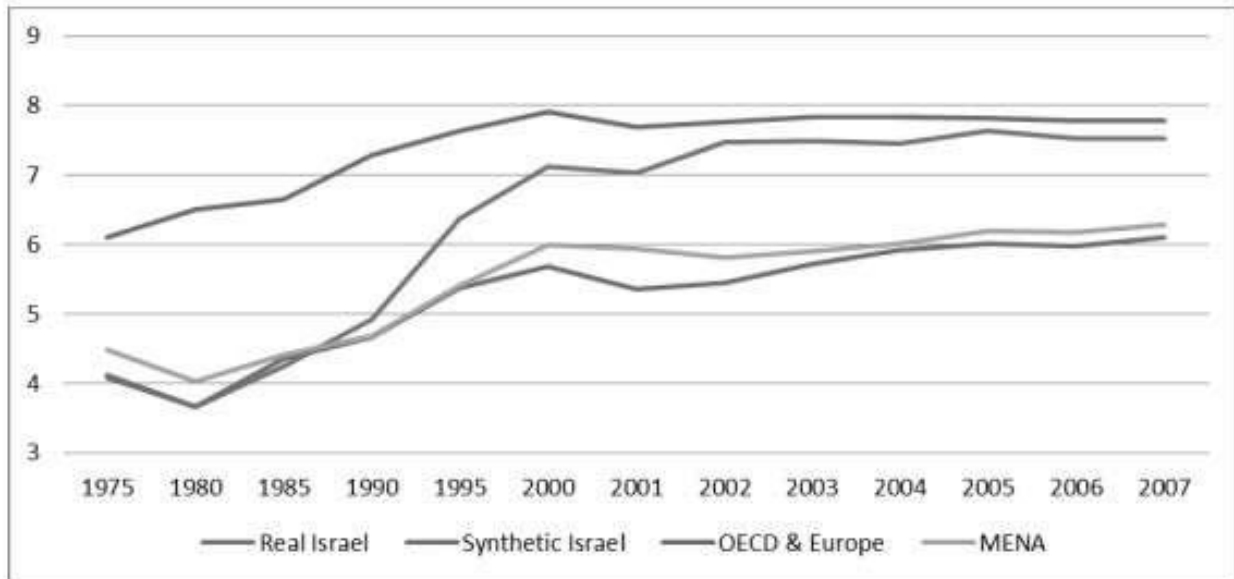


Figure 4: Israel Compared to Synthetic Israel

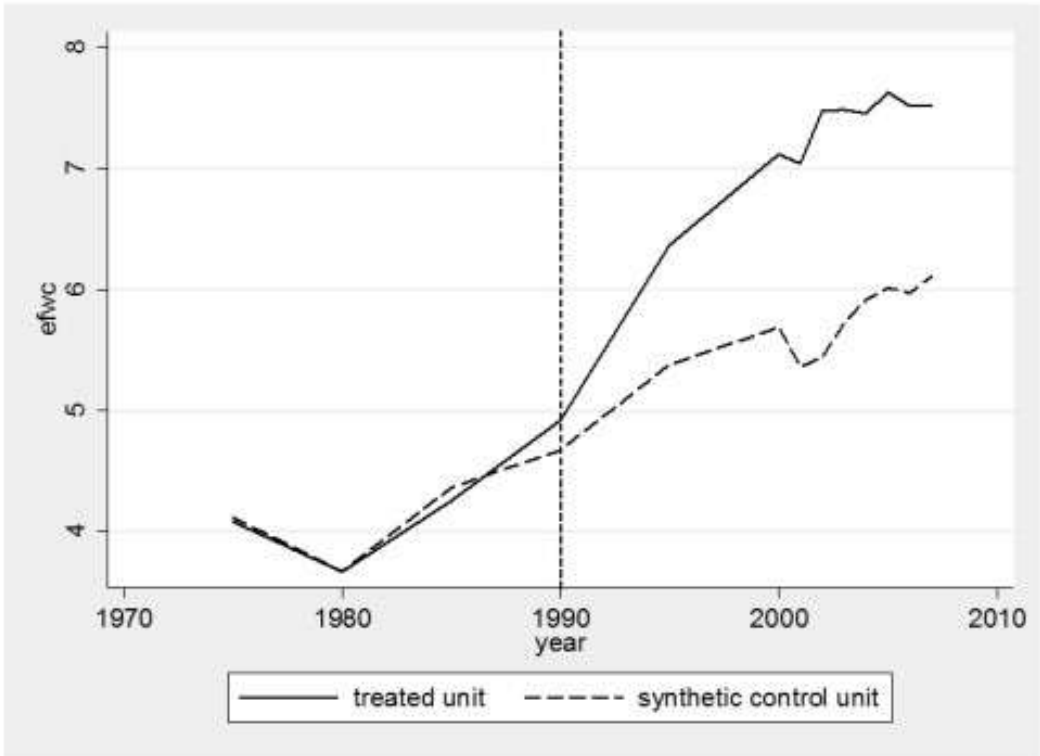
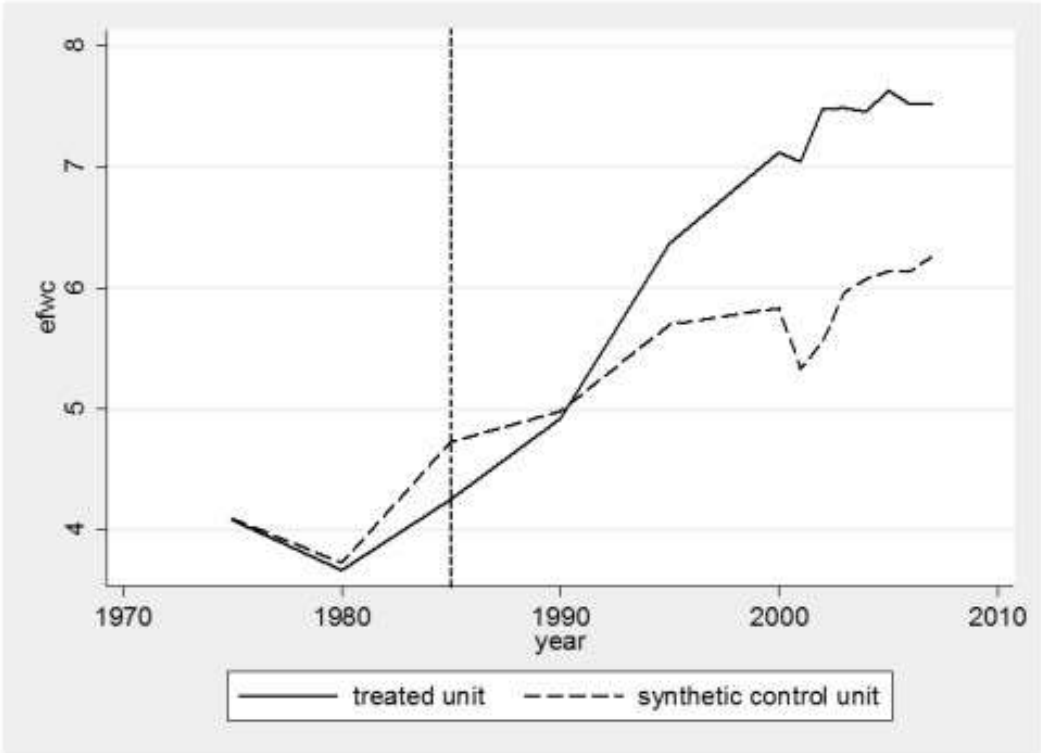
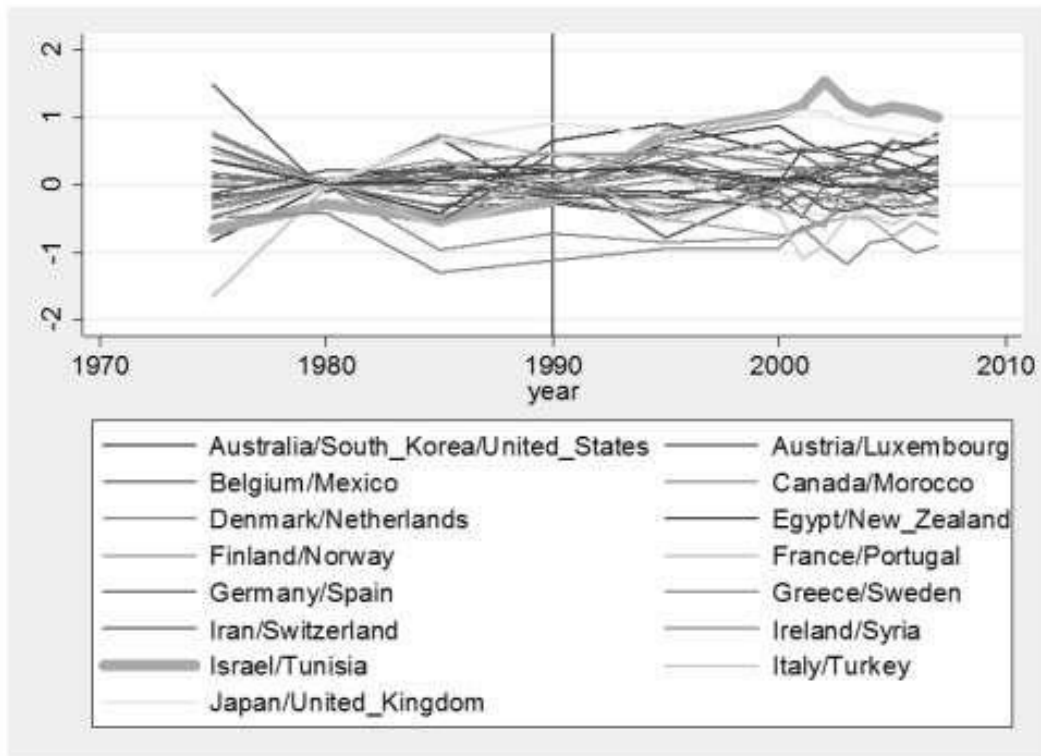


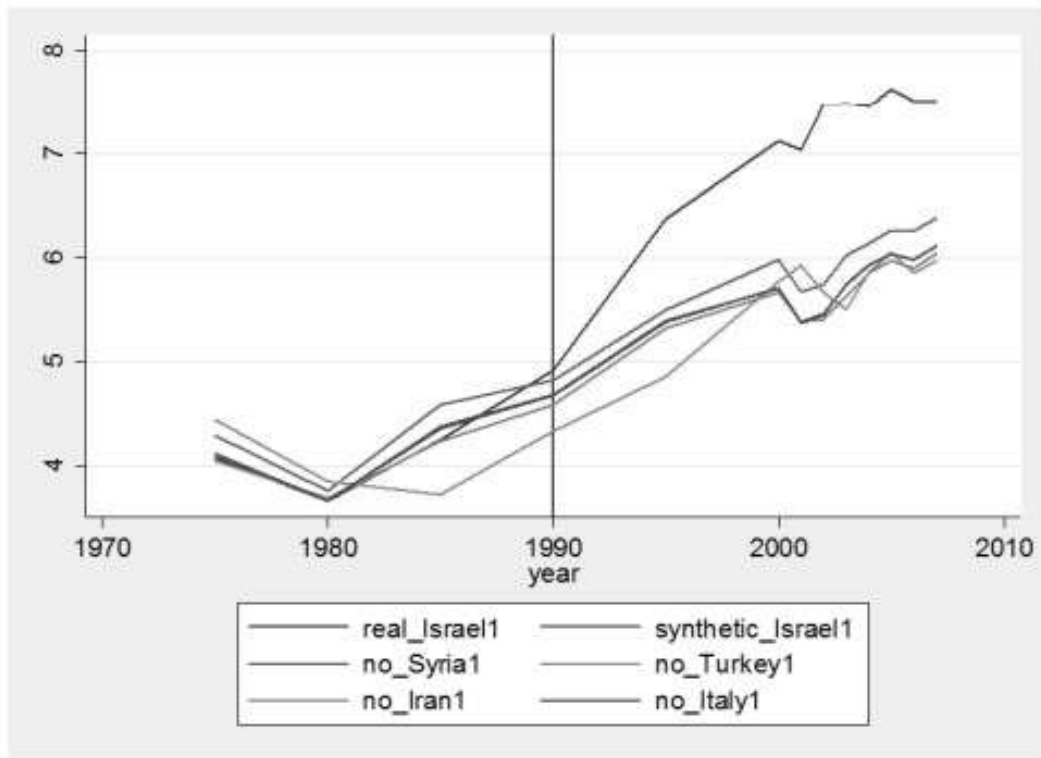
Figure 5: In-Time Placebo



**Figure 6: In-Space Placebo**



**Figure 7: Leave One Out**





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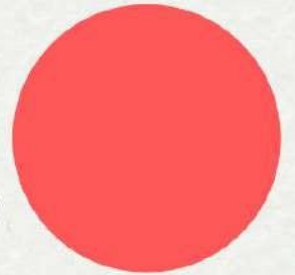
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2025

**SESSION 4**

# Political Arguments



Chapter 5: The Golden  
Goose Trial

**Pages 124 - 153**

Look to Milton: Open Borders  
and The Welfare State

**Pages 154 - 156**

Milton Friedman's Argument  
for Illegal Immigration

**Pages 157 - 158**



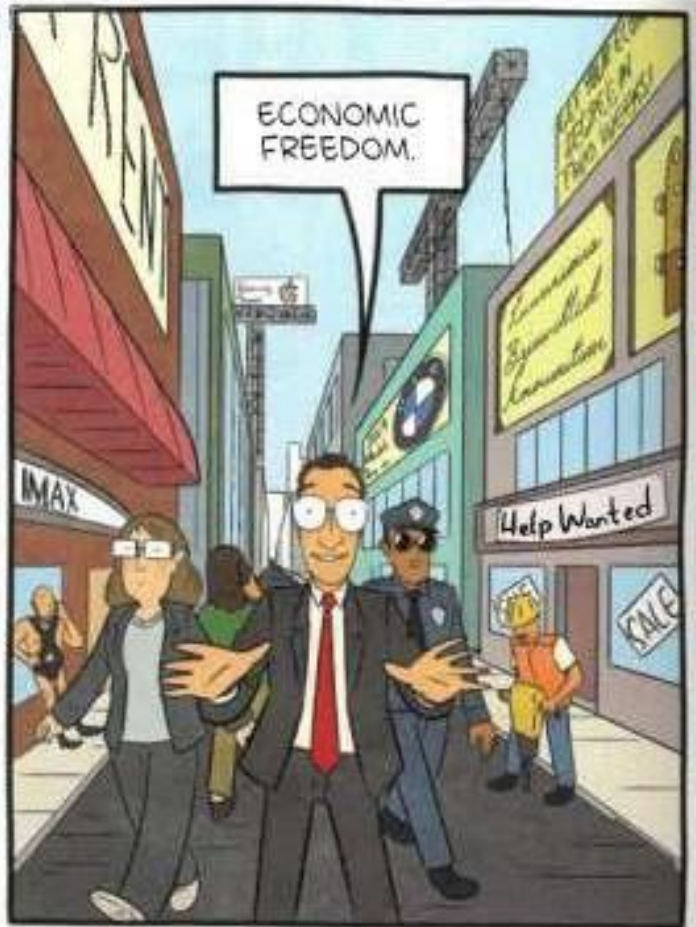
CHAPTER 5

# THE GOLDEN GOOSE ON TRIAL





BY HISTORICAL AND WORLD STANDARDS, CITIZENS OF THE FIRST WORLD ENJOY MANY FREEDOMS.





IN HISTORY BOOKS, THESE FREEDOMS ARE A POWERFUL MAGNET FOR IMMIGRATION. FOREIGNERS VENTURE HERE TO ENJOY THE BLESSINGS OF LIBERTY.

1620s

GOODBYE  
POPERY!

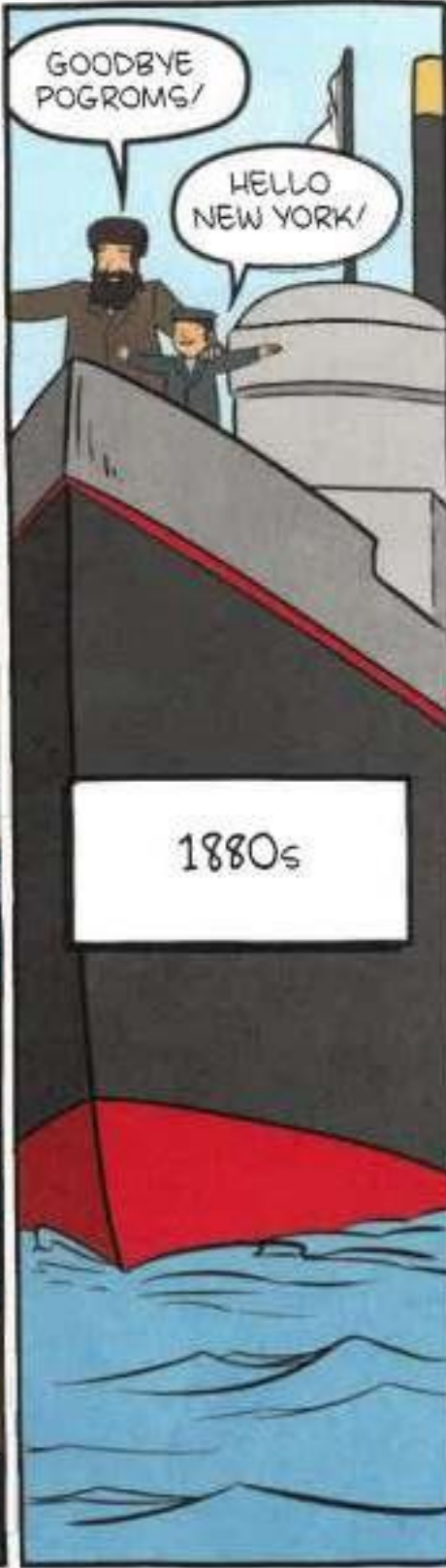
HELLO  
PUMPKIN  
PIE!



GOODBYE  
POGROMS!

HELLO  
NEW YORK!

1880s



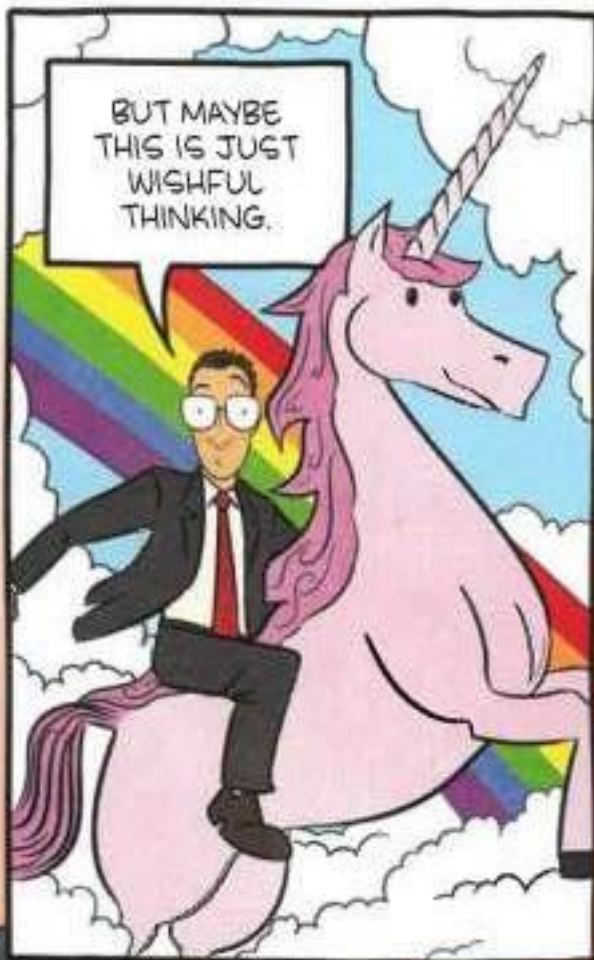
GOODBYE  
RE-EDUCATION  
CAMPS!

HELLO  
CALTECH!

1970s







BUT MAYBE THIS IS JUST WISFUL THINKING.



SURE, EVERYONE WANTS FREEDOM FOR THEIR OWN WAY OF LIFE.

BUT MAYBE IMMIGRANTS WILL ULTIMATELY USE THEIR NEWFOUND POLITICAL FREEDOM...

...TO "DEMOCRATICALLY" TAKE AWAY OUR PRECIOUS PERSONAL, ECONOMIC, AND POLITICAL FREEDOM.





- Master Plan*
1. Flee hellhole of birth.
  2. Get first-world citizenship.
  3. Vote Hellhole Party's
  4. Repeat.

SURE, THIS SOUNDS LIKE A DEMENTEDLY STUPID PLAN.



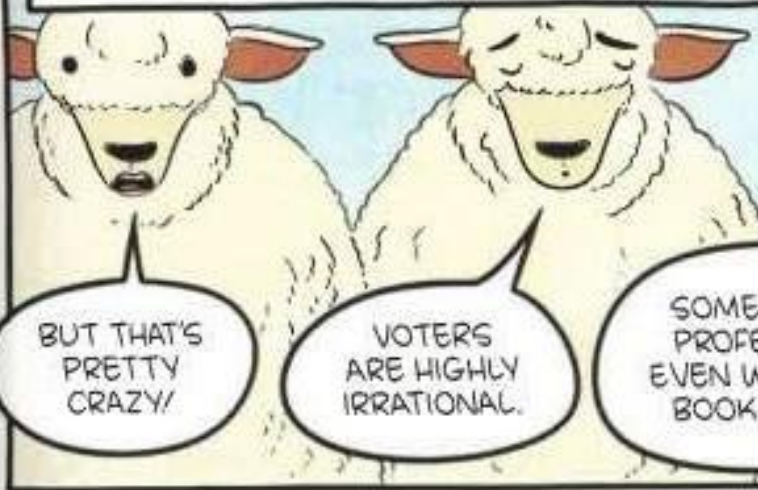
IF YOU HATE FREEDOM, WHY NOT HATE IT FROM AFAR?

BUT IMMIGRATION CRITICS CAN PLAUSIBLY REPLY: 'MOST PEOPLE WHO HATE FREEDOM STILL LOVE PROSPERITY. FREEDOM-HATERS COME FOR GOOD JOBS, HOPING TO END FREEDOM ONCE THEY HAVE THE VOTES.'

DOESN'T OUR FREEDOM CAUSE OUR PROSPERITY? ONLY IN THE LONG RUN, SO IT'S EASY FOR FREEDOM-HATERS TO SCOFF AND DENY.



IF YOU THINK EVERYONE VOTES IN THEIR ENLIGHTENED SELF-INTEREST, YOU CAN SUMMARILY DISMISS THIS STORY.

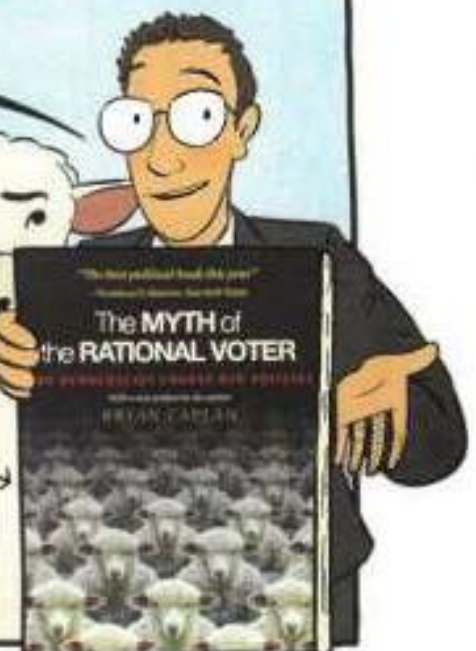


BUT THAT'S PRETTY CRAZY!

VOTERS ARE HIGHLY IRRATIONAL.

SOME ECON PROFESSOR EVEN WROTE A BOOK ON IT.

*my first book!*





IF YOU'RE WORRIED ABOUT THE POLITICAL DANGER OF IMMIGRATION, OF COURSE, THE KEY QUESTION ISN'T 'ARE IMMIGRANTS BAD VOTERS?' BUT 'ARE IMMIGRANTS *WORSE* VOTERS THAN NATIVES?'



WHICH RAISES THE UNAVOIDABLE QUESTION: 'WORSE BY WHAT STANDARD?'

FOR PARTISANS, THE ANSWER IS OBVIOUS: IMMIGRANTS WHO VOTE *FOR* MY PARTY ARE GOOD. IMMIGRANTS WHO VOTE *AGAINST* MY PARTY ARE BAD.



BACK IN THE 1980S, NATIVE AND IMMIGRANT VOTING WAS ALMOST IDENTICAL. BUT OVER THE LAST TWENTY-FIVE YEARS, A BIG GAP HAS OPENED UP: DEMOCRATIC PRESIDENTIAL CANDIDATES NOW DO ABOUT TEN PERCENTAGE POINTS BETTER WITH IMMIGRANTS THAN WITH NATIVES.



DEMOCRATS ARE EVEN MORE POPULAR WITH IMMIGRANTS WHO *DON'T* OR *CAN'T* VOTE. BETWEEN 2004 AND 2012, THE DEMOCRATS' EDGE LEAPT FROM ELEVEN TO TWENTY-EIGHT POINTS!



THIS ISN'T JUST ABOUT RACE. BY 2012, *WHITE* IMMIGRANTS VOTED NINE PERCENTAGE POINTS MORE DEMOCRATIC THAN *WHITE* NATIVES.





REPUBLICANS HAVE A HANDY EXPLANATION: SELF-INTEREST. PEOPLE VOTE FOR PARTIES THAT DELIVER POLICIES THAT BENEFIT THEM.

BUT REPUBLICANS DO POORLY EVEN WITH WEALTHY, SOCIALLY CONSERVATIVE ASIAN IMMIGRANTS. THINK ABOUT INDIAN AMERICANS.

WE'RE AMERICA'S RICHEST ETHNICITY.

ALMOST ALL OUR KIDS HAVE TWO MARRIED PARENTS.

AND OUR DEMOCRATIC/REPUBLICAN RATIO IS 4:1!

IMMIGRANTS WANT HANDOUTS, PAID FOR BY HARD-WORKING NATIVES!



IN ANY CASE, UNLESS YOU'RE A PROFESSIONAL POLITICIAN, WHAT COUNTS ISN'T WHICH PARTY WINS, BUT WHAT POLICIES THEY ADOPT. AND THAT DEPENDS CRUCIALLY ON VOTERS' POLICY VIEWS.

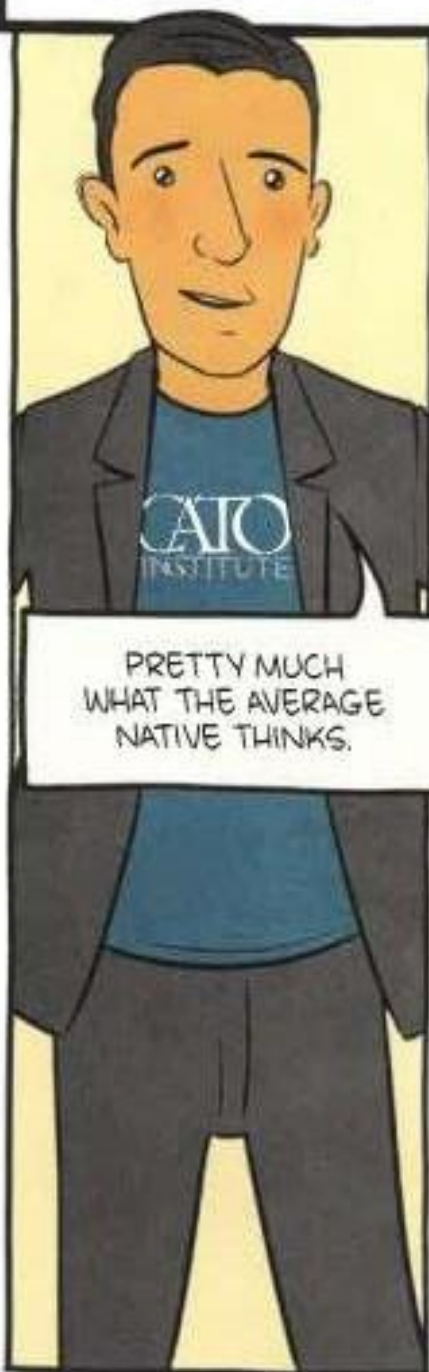
THE CRUCIAL QUESTION, THEN, IS WHAT DO IMMIGRANTS THINK ABOUT *POLICY*?

LOOK AT HOW TEXAS DEMOCRATS AND MASSACHUSETTS REPUBLICANS 'GO NATIVE' TO WIN VOTES!



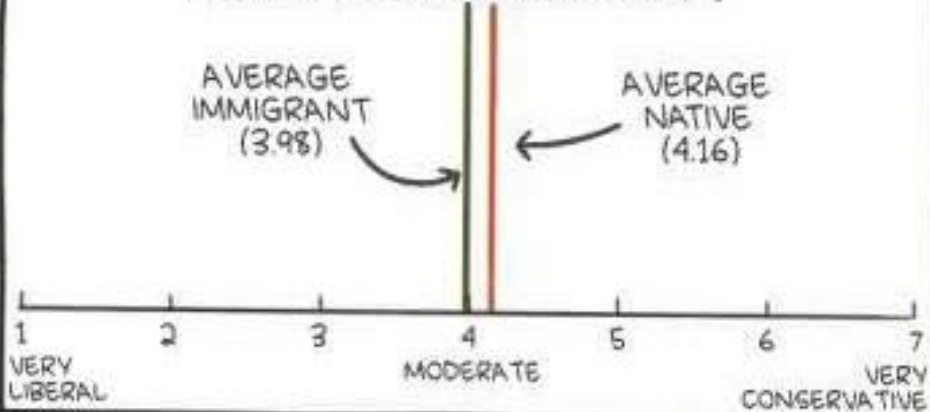


ALEX NOWRAGTEH OF THE CATO INSTITUTE KNOWS THE NUMBERS. WHAT THE AVERAGE IMMIGRANT THINKS ABOUT POLICY IS...



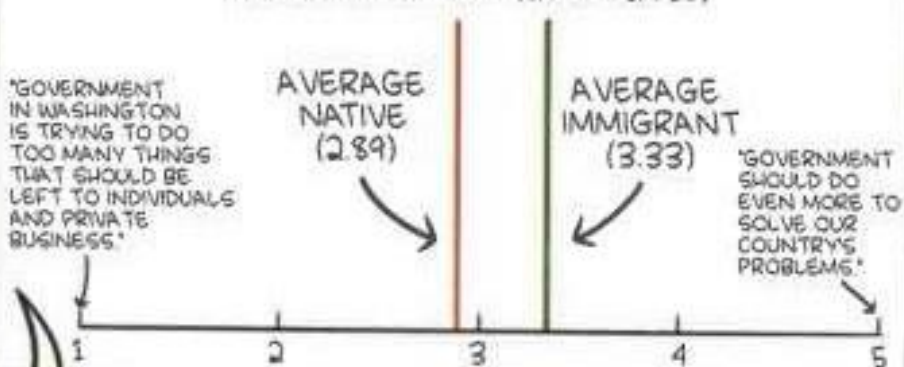
PRETTY MUCH WHAT THE AVERAGE NATIVE THINKS.

POLITICAL IDEOLOGY (2000-2016)



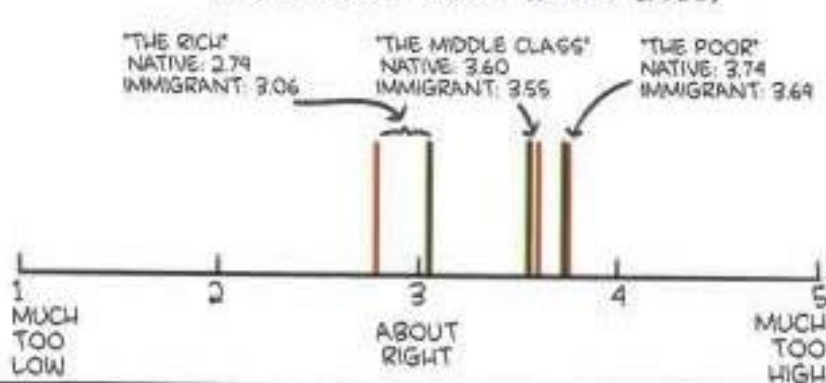
THE AVERAGE IMMIGRANT IS MICROSCOPICALLY MORE LIBERAL THAN THE AVERAGE NATIVE.

"SHOULD GOVERNMENT DO MORE OR LESS?" (2000-2016)



THE AVERAGE IMMIGRANT IS *MODESTLY* MORE IN FAVOR OF GOVERNMENT ACTIVISM.

"TAXES ON X ARE..." (2000-2016)



THE AVERAGE IMMIGRANT IS ALMOST EXACTLY AS HOSTILE AS NATIVES TO TAXES ON THE POOR AND MIDDLE CLASS—AND SLIGHTLY *MORE* HOSTILE THAN NATIVES TO TAXES ON THE RICH.

IF YOU LOOK CLOSER, IMMIGRANTS SUPPORT WELFARE *SLIGHTLY* MORE THAN NATIVES.



BUT IMMIGRANTS ARE ALSO SLIGHTLY *LESS* SUPPORTIVE OF GOVERNMENT SPENDING ON SOCIAL SECURITY, HEALTH, EDUCATION, AND THE ENVIRONMENT—AND NOTICEABLY LESS SUPPORTIVE OF DEFENSE SPENDING.



IT'S ALL RELATIVE, OF COURSE. MOST OF THESE PROGRAMS ARE *EXTREMELY* POPULAR WITH NATIVE AND IMMIGRANT ALIKE.



ON SOCIAL ISSUES, IMMIGRANTS ARE RELIABLY, BUT MODESTLY, MORE CONSERVATIVE THAN NATIVES...

WITH ONE PREDICTABLE EXCEPTION.

ABORTION ON DEMAND?



GAY MARRIAGE?



LET IN MORE IMMIGRANTS?



LEGALIZE MARIJUANA?



FREE SPEECH FOR RADICAL MUSLIMS?



EVEN THIS GAP IS NOTHING RADICAL: ONLY 27% OF IMMIGRANTS FAVOR *MORE* IMMIGRATION—VERSUS 12% OF NATIVES.





BUT I HAVE TO TELL YOU: THERE IS ONE BIG SUBSET OF IMMIGRANTS THAT DIVERGES MORE FROM MAINSTREAM AMERICAN OPINION.

A SUBSET WHOSE LOW SUPPORT FOR PERSONAL AND ECONOMIC FREEDOM STANDS OUT.

CURRENT IMMIGRATION LAW STERNLY DISCRIMINATES AGAINST THEM, SO THEY'D BE FAR MORE COMMON IF MY CASE FOR OPEN BORDERS ACTUALLY CAUGHT ON.

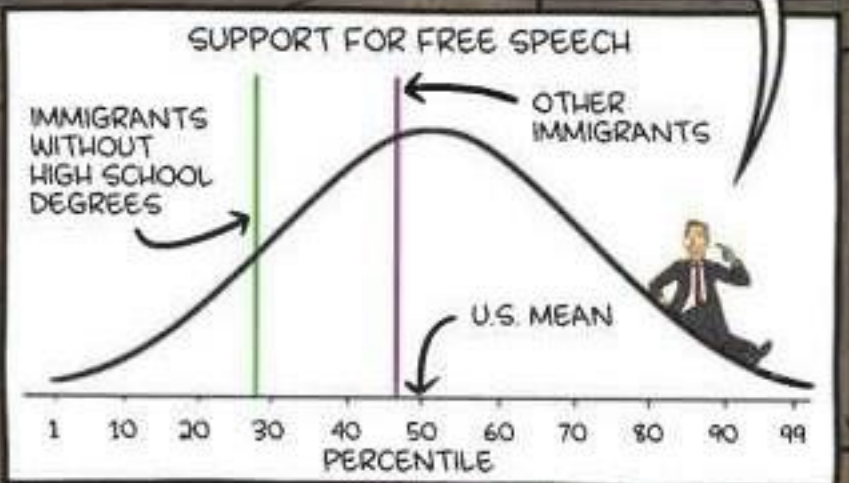
I'M TALKING ABOUT...

LOW-SKILLED IMMIGRANTS.

EVEN OTHERWISE TOLERANT PEOPLE OFTEN BADMOUTH AND DEHUMANIZE LOW-SKILLED IMMIGRANTS. THROUGHOUT THIS BOOK I'VE TRIED TO DO THE OPPOSITE—TO HIGHLIGHT NOT ONLY THEIR NEGLECTED CONTRIBUTIONS, BUT THEIR BASIC HUMAN RIGHTS.



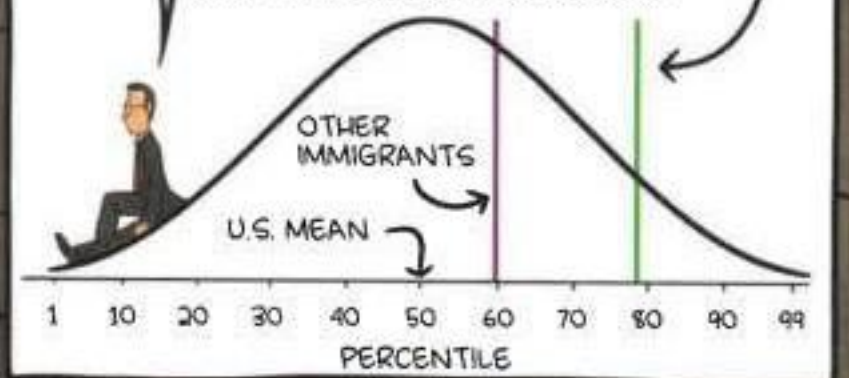
BUT I'VE WORKED WITH THE DATA, AND I'M HONESTLY TROUBLED BY LOW-SKILLED FOREIGNERS' VIEWS ON ISSUES LIKE FREE SPEECH...



AND GOVERNMENT'S ROLE IN THE ECONOMY.

IMMIGRANTS WITHOUT HIGH SCHOOL DEGREES

SUPPORT FOR REGULATION AND GOVERNMENT SPENDING







ISN'T THIS SCARY? ONLY A LITTLE, FOR THREE REASONS:

FIRST, IMMIGRANTS HAVE LOW VOTER TURNOUT. OUT OF **ELIGIBLE** VOTERS IN 2012, 72% OF NATIVES REPORTED VOTING, VERSUS JUST 48% OF IMMIGRANTS.

TURNOUT IS **ESPECIALLY** LOW FOR LESS-EDUCATED IMMIGRANTS. OUT OF HIGH SCHOOL DROPOUTS, ONLY 27% OF IMMIGRANTS ELIGIBLE TO VOTE IN 2012 ACTUALLY DID SO.



SECOND, POLITICAL SCIENTISTS HAVE FOUND THAT THE U.S. GOVERNMENT DOESN'T PAY MUCH ATTENTION TO LOW-INCOME VOTERS' OPINIONS ANYWAY.



HEY!  
HEY!

I'LL HAVE TO DIP INTO MY 401K.

I'M ON MY LAST MONOLE!



THIRD, LOW-SKILLED IMMIGRANTS' KIDS POLITICALLY—AND EDUCATIONALLY—ASSIMILATE.



Immigrants Assimilate into the Political Mainstream

IN MY EXPERIENCE, SECOND-GENERATION IMMIGRANTS FIND THEIR PARENTS' POLITICAL VIEWS DOWNRIGHT **EMBARRASSING**.



OF COURSE, IF YOU THINK THE U.S. IS ALREADY TOO ECONOMICALLY CONSERVATIVE OR TOO SOCIALLY LIBERAL, I'VE GIVEN YOU CAUSE FOR *DISAPPOINTMENT* RATHER THAN RELIEF.

IMMIGRATION'S UNLIKELY TO NOTICEABLY TILT THE POLITICAL SCALES IN YOUR FAVOR.



BUT THAT'S HARDLY A REASON TO *OPPOSE* IMMIGRATION.

SOME LEFT-LEANING SCHOLARS, HOWEVER, ARGUE THAT IMMIGRATION SOURS *NATIVES* ON THE WELFARE STATE.

HOW? BY UNDERMINING NATIONAL SOLIDARITY.



PEOPLE DON'T LIKE PAYING TAXES TO SUPPORT OUT-GROUPS.

ONE EXPERIMENT IN NORWAY FOUND THAT PUBLIC SUPPORT FOR A MINIMUM INCOME PROGRAM FALLS FROM 66% TO 45% IF YOU *MENTION* THAT NON-CITIZENS WOULD BE ELIGIBLE.

BUT THIS IS SOMEWHAT SPECULATIVE. IF YOU LOOK AT BUDGETS OF FIRST-WORLD COUNTRIES WITH RELATIVELY HIGH IMMIGRATION, THE WELFARE STATE IS STILL GOING STRONG.



IN ANY CASE, IF YOU WANT TO HELP THE NEEDY, EXCLUDING DESTITUTE FOREIGNERS TO PROTECT YOUR DOMESTIC WELFARE STATE SEEMS PRETTY PERVERSE.



CRITICS OF OPEN BORDERS OFTEN ACCUSE ITS PROMOTERS OF BELIEVING IN "MAGIC DIRT THEORY."

THE MOMENT ANYONE TOUCHES OUR HALLOWED SOIL, THEY SHALL BE FOREVER TRANSFORMED!

OPEN BORDERS



"WHAT IS A POOR COUNTRY?" THESE CRITICS ASK.



"A COUNTRY WITH POOR PEOPLE IN IT," THEY ANSWER.

THOUGHT EXPERIMENT: IF THE CURRENT POPULATION OF THE U.S. SUDDENLY VANISHED AND WAS REPLACED BY PRE-MODERN HUNTER-GATHERERS, WOULD THEY REALLY BE ABLE TO SWOOP IN AND RECREATE THE AMERICAN DREAM?

SOUNDS LIKE WISHFUL THINKING TO ME!





MY FUNDAMENTAL REPLY TO THESE CRITICS; I DON'T BELIEVE IN "MAGIC DIRT." WHAT I BELIEVE IN IS...

**MAGIC CULTURE!**

WHEN FIRST-WORLD COUNTRIES WELCOME THE "TIRED AND POOR" FROM EVEN THE MOST BACKWARD AND AUTHORITARIAN NATIONS, THESE IMMIGRANTS QUICKLY ACCULTURATE ENOUGH TO BECOME PRODUCTIVE MEMBERS OF OUR SOCIETY.



AND WHATEVER "OLD COUNTRY WAYS" THEIR PARENTS TEACH THEM, THE CHILDREN OF IMMIGRANTS WHO GROW UP HERE DEEPLY ACCULTURATE TO THEIR NEW HOME.

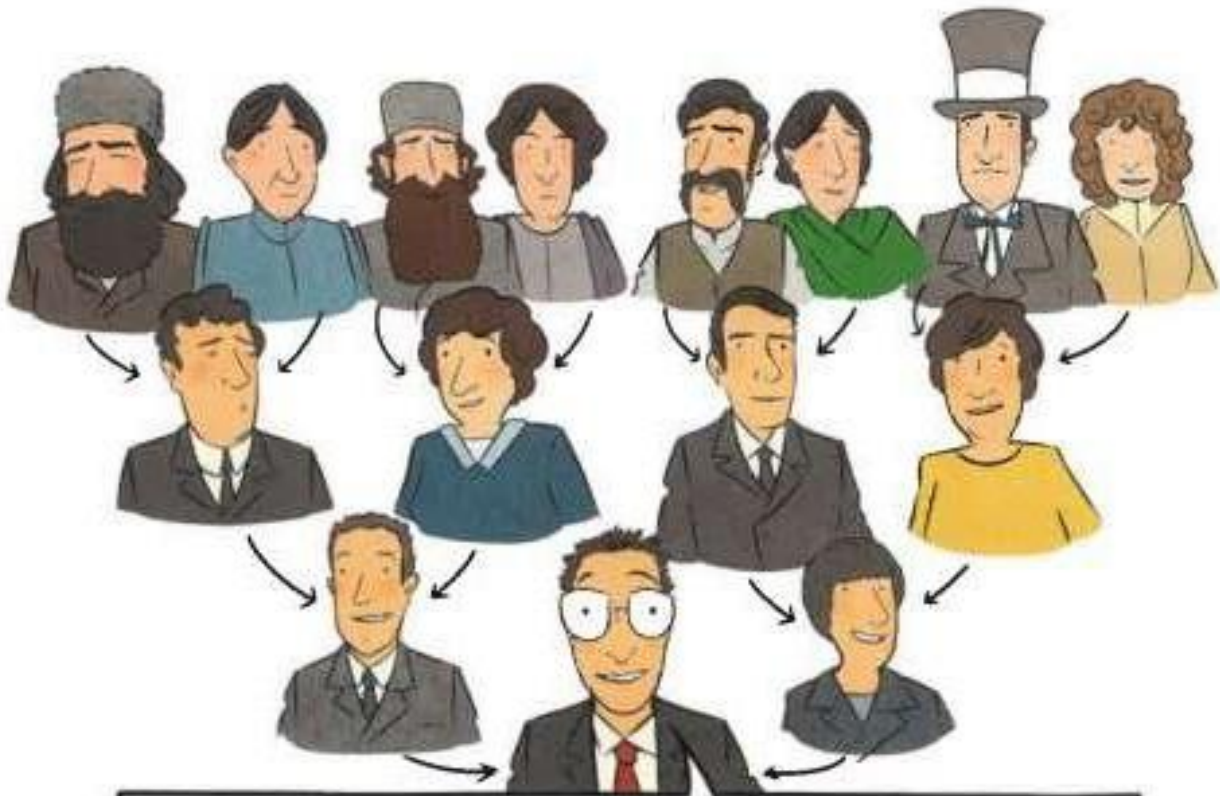
CULTURE TAKES CENTURIES TO SPREAD BY PERSUASION, BUT ONLY ONE GENERATION TO SPREAD BY...



**IMMERSION!**

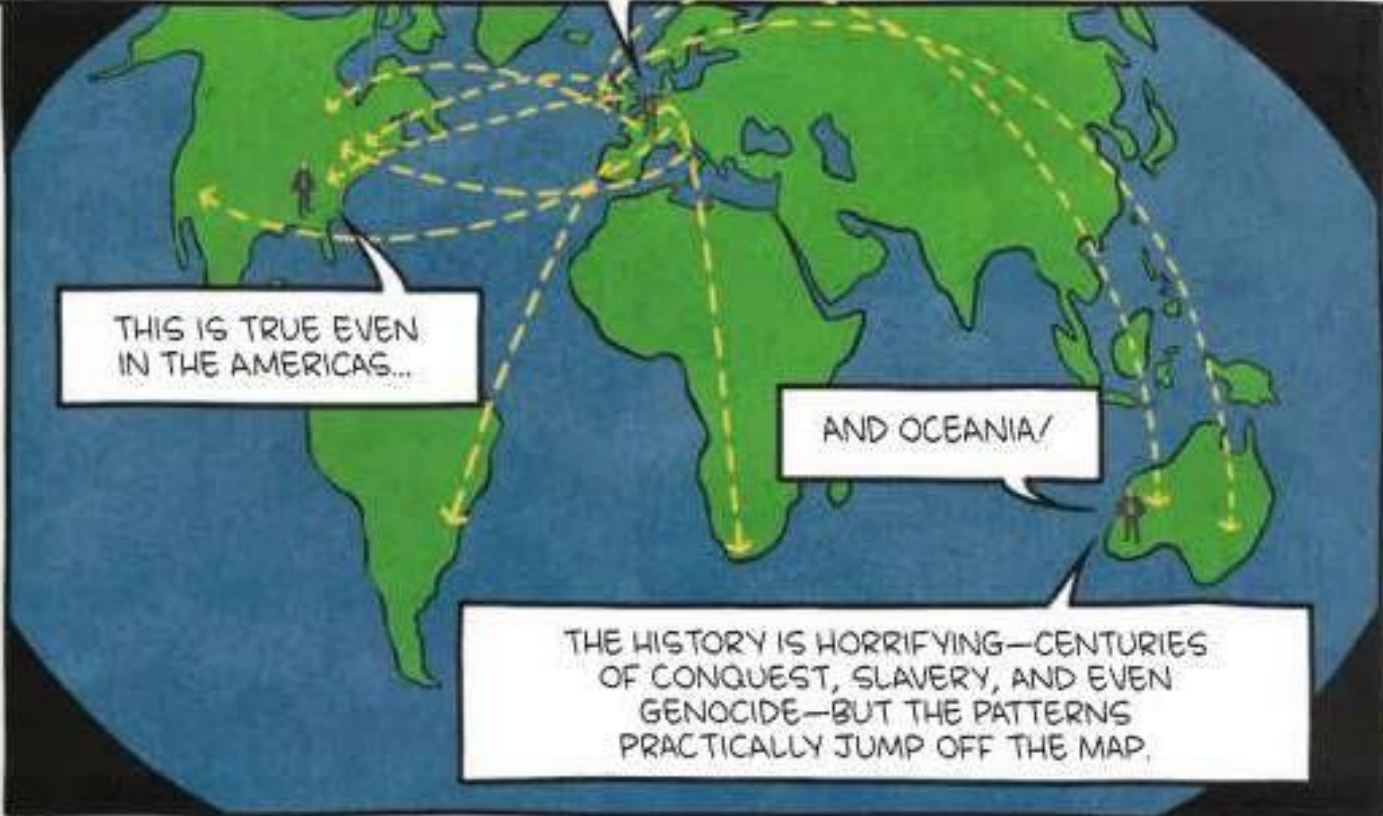
AT LEAST THAT'S HOW IT SEEMS TO ME. COULD I BE WRONG?





IN RECENT YEARS, SOME TOP RESEARCHERS HAVE ARGUED THAT *ANCESTRY* IS A POWERFUL FORCE.

TODAY'S MOST DEVELOPED NATIONS ARE LARGELY POPULATED BY FOLKS WHOSE ANCESTORS WERE *RELATIVELY* ADVANCED BY 1500 A.D.



THIS IS TRUE EVEN IN THE AMERICAS...

AND OCEANIA!

THE HISTORY IS HORRIFYING—CENTURIES OF CONQUEST, SLAVERY, AND EVEN GENOCIDE—BUT THE PATTERNS PRACTICALLY JUMP OFF THE MAP.

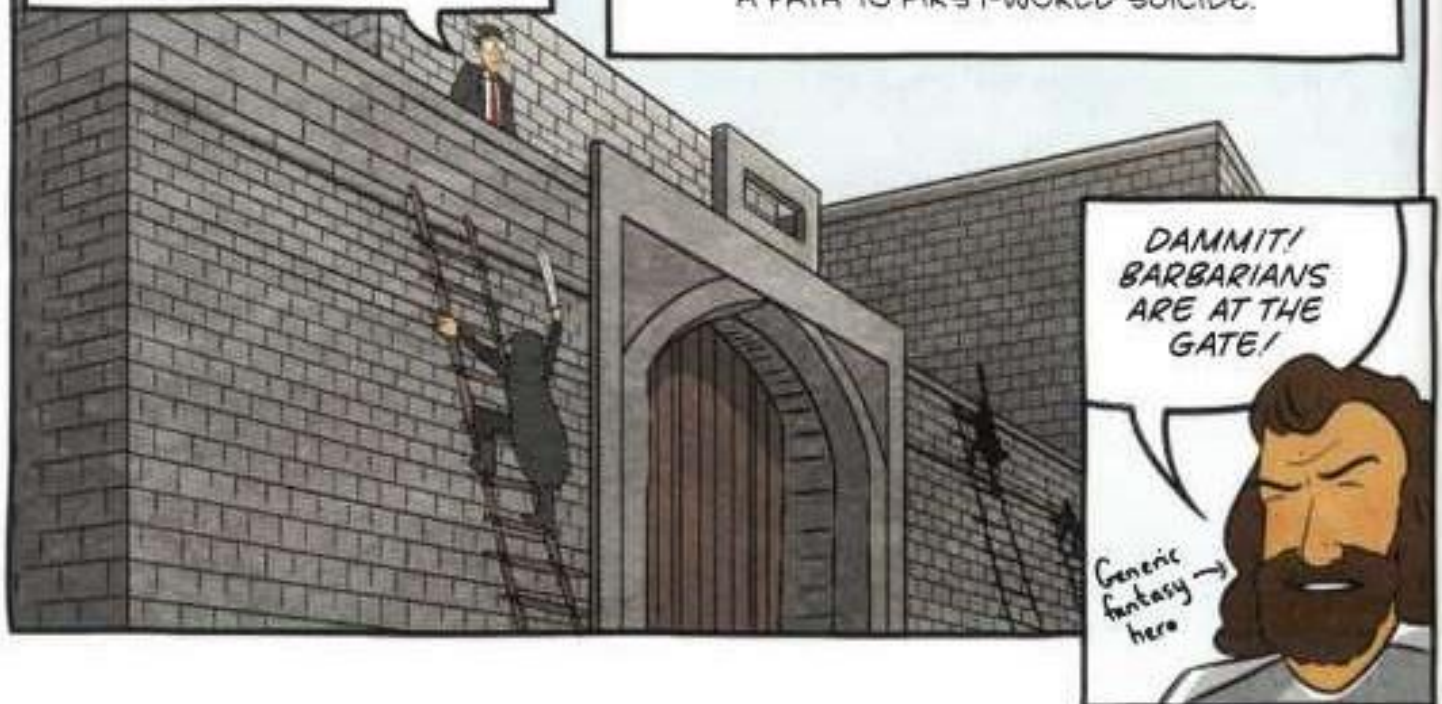


THE SOURCE OF THIS PERSISTENCE COULD BE *ENTIRELY* CULTURAL. THE RESEARCHERS' KEY CLAIM IS SIMPLY THAT IF THEY KNOW HOW ADVANCED YOUR NATION'S ANCESTORS WERE CENTURIES AGO, THEY CAN MAKE PRETTY GOOD PREDICTIONS ABOUT YOUR NATION TODAY.



PRACTICALLY SPEAKING, THOUGH, SAYING 'IT'S ALL CULTURAL' IS SMALL COMFORT.

IF ADVANCED CIVILIZATIONS' SURVIVAL HINGES ON CULTURAL ANCESTRY, OPEN BORDERS STILL SOUNDS LIKE A PATH TO FIRST-WORLD SUICIDE.





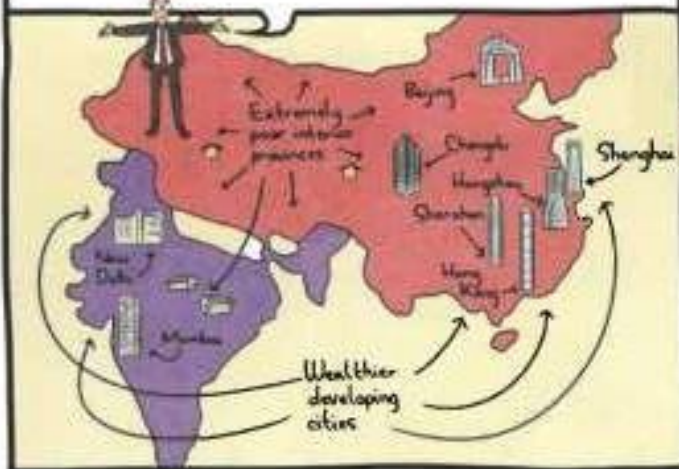
IT'S TEMPTING TO QUESTION ANCESTRY RESEARCHERS' MOTIVES, BUT LET'S FACE THEIR WORK HEAD-ON.

DAMMIT! DO YOUR WORST!

OKAY. THE BIGGEST FLAW WITH THIS RESEARCH IS...

THAT IT GROSSLY *UNDER*-PREDICTS DEVELOPMENT FOR THE UNITED STATES, WHICH LEADS THE WORLD DESPITE MEDIOCRE ANCESTRY SCORES...

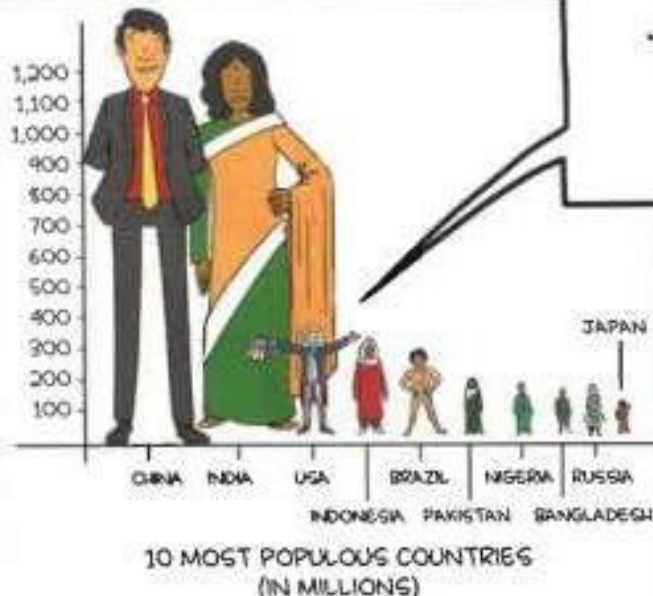
AND GROSSLY *OVER*PREDICTS DEVELOPMENT FOR CHINA AND INDIA, WHICH LAG DESPITE EXCELLENT ANCESTRY SCORES.



YOU COULD MINIMIZE THESE AS MERE "OUTLIERS," BUT WE'RE TALKING ABOUT EARTH'S THREE MOST POPULOUS COUNTRIES, CONTAINING OVER 40% OF THE HUMAN RACE.

STATISTICALLY, THE PROBLEM IS THAT RESEARCHERS PUT EQUAL WEIGHT ON ALL COUNTRIES.

IF YOU WEIGH COUNTRIES BY POPULATION AND RECRUNCH THE NUMBERS, ANCESTRY LOOKS UNIMPORTANT.







DAMMIT! THE RESULTS ARE FRAGILE!

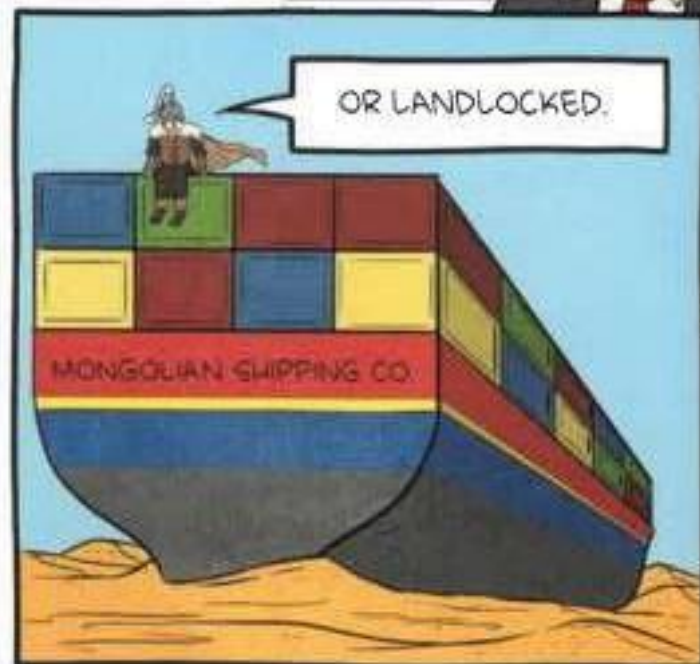
DAMMIT! WHY NOT?

TRUE. BUT EVEN IF THEY WERE ROCK SOLID, THE ANTI-IMMIGRATION SPIN IS NOT.

BECAUSE THE ORIGINAL RESEARCH ALSO FINDS HUGE EFFECTS OF *GEOGRAPHY*.



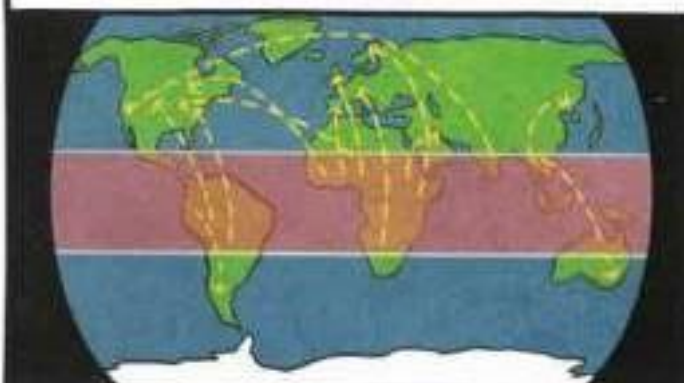
HOLDING ANCESTRY *FIXED*, COUNTRIES DO MUCH WORSE IF THEY'RE TROPICAL...



OR LANDLOCKED.

AS A RESULT, THIS WORK IMPLIES *MASSIVE* SOCIAL GAINS OF MIGRATION AWAY FROM THE TROPICS AND TOWARD THE COASTS.

WHILE ANCESTRY MODELS *DO* SAY MIGRATION FROM THE THIRD WORLD WILL LOWER AVERAGE GDP IN THE FIRST WORLD, THE MECHANISM IS GOOD ARITHMETIC, NOT BAD POLITICS.



RATHER THAN UNDERMINING "OPEN BORDERS WOULD *DOUBLE* GLOBAL GDP" ESTIMATES, ANCESTRY RESEARCH CONFIRMS THEM!

WELCOMING LOW-SKILLED IMMIGRANTS TO YOUR COUNTRY LOWERS AVERAGE GDP FOR THE SAME REASON WELCOMING CHILDREN TO YOUR BASKETBALL COURT LOWERS AVERAGE HEIGHT!



LAST, LET'S CALMLY CONSIDER THE *MOST* CONTROVERSIAL REASON TO FEAR THE LONG-RUN POLITICAL EFFECTS OF OPEN BORDERS.

IQ, PSYCHOLOGISTS' STANDARD MEASURE OF INTELLIGENCE, IS A GOOD PREDICTOR OF STANDARD FORMS OF SUCCESS.

HAVE YOU PONDERED A LITTLE THING CALLED... IQ?

ACADEMIC SUCCESS!

CAREER SUCCESS!

MARITAL SUCCESS!

IQ Score: 130

145

IQ Scores  
Hers: 115  
His: 114

MANY WANT TO DISMISS IQ OUT OF HAND, BUT THAT'S HIGHLY IMPRUDENT.

IF RESEARCHERS FOUND THAT LEAD EXPOSURE HURT IQ, WOULD YOU REALLY OBJECT, "IQ IS MEANINGLESS"?

WITHOUT IQ TESTS, HOW WOULD WE EVEN MEASURE THE DANGER?



SO WHAT?

WELL, NATIONS, LIKE INDIVIDUALS, DIFFER IN IQ.

EAST ASIAN COUNTRIES GET TOP SCORES, CLOSELY FOLLOWED BY COUNTRIES OF EUROPEAN DESCENT.



LATIN AMERICA, SOUTH ASIA, AND THE MIDDLE EAST DO QUITE A BIT WORSE. SUB-SAHARAN AFRICA RESTS FIRMLY AT THE BOTTOM.

DATA QUALITY VARIES, BUT THE BASIC PATTERNS ARE ROBUST.



THESE NATIONAL IQS ARE HIGHLY PREDICTIVE OF CONVENTIONAL FORMS OF NATIONAL SUCCESS.

SUCH AS?

PROSPERITY.



GOOD GOVERNMENT.

WELL, AT LEAST LIVABLE GOVERNMENT.

OUR LAST CIVIL WAR WAS 150 YEARS AGO. MORE THAN MOST COUNTRIES CAN SAY...



STILL, ALL THIS COULD BE MERE COINCIDENCE. GOT ANY STRONGER EVIDENCE?





PLENTY BOLD RESEARCHERS HAVE DISSECTED THE EFFECT OF NATIONAL IQ ON NATIONAL SUCCESS... MOST NOTABLY ECONOMIST GARETT JONES IN *HIVE MIND*.

MANY BRILLIANT INTELLECTS FIND HIS CASE DEEPLY COMPELLING.



THAT'S NOT NEWS TO ME.

GARETT HAS AN OFFICE JUST DOWN THE HALL FROM ME!



THE VIEW THAT NATIONAL IQ GENUINELY CAUSES NATIONAL SUCCESS MAKES GREAT SENSE. SMART PEOPLE AREN'T JUST MORE SKILLED. EXPERIMENTS ALSO SHOW THEY'RE BETTER COOPERATORS.



NATIONAL IQ PREDICTS NATIONAL PROSPERITY FAR BETTER THAN EDUCATION, DEMOCRACY, OR VIRTUALLY ANYTHING ELSE.



THIS IS NO SIMPLEMINDED 'ARITHMETIC FALLACY.' THE EFFECT OF NATIONAL IQ ON NATIONAL PROSPERITY FAR EXCEEDS THE EFFECT OF INDIVIDUAL IQ ON INDIVIDUAL PROSPERITY, SUGGESTING MAJOR IQ 'SPILLOVERS.'



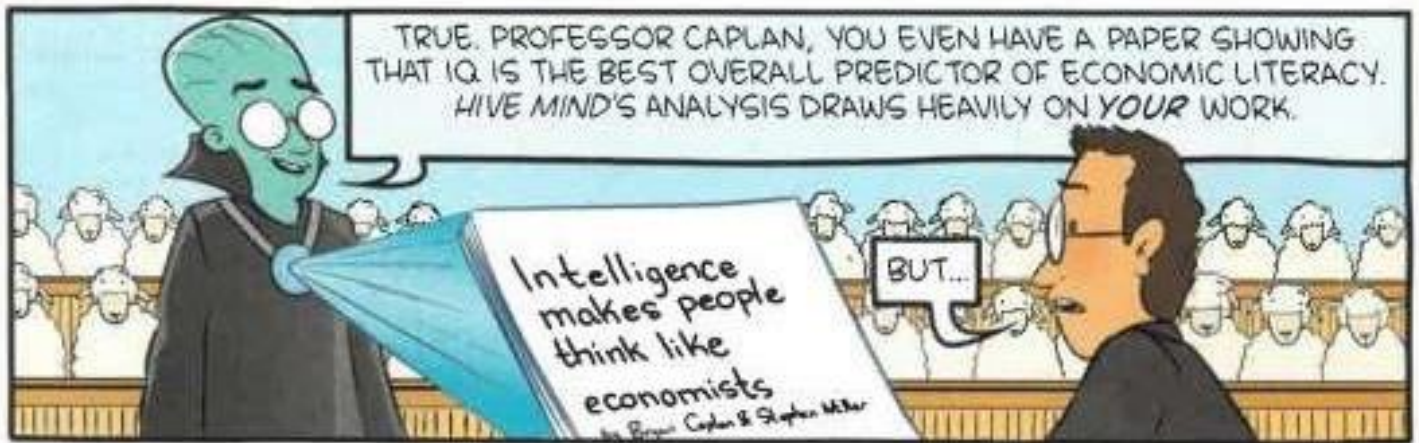
YOU'RE BETTER OFF HAVING A LOW IQ IN A HIGH-IQ SOCIETY THAN A HIGH IQ IN A LOW-IQ SOCIETY!





IQ SPILLOVERS POTENTIALLY WORK THROUGH MANY CHANNELS, BUT POLITICS IS THE SIMPLEST.

THE WHOLE THEORY OF DEMOCRACY IS THAT WE ALL LIVE UNDER THE POLICIES THE MAJORITY THINKS BEST. EVEN IF THE MAJORITY IS CLUELESS.



TRUE. PROFESSOR CAPLAN, YOU EVEN HAVE A PAPER SHOWING THAT IQ IS THE BEST OVERALL PREDICTOR OF ECONOMIC LITERACY. HIVE MIND'S ANALYSIS DRAWS HEAVILY ON YOUR WORK.

BUT...

Intelligence makes people think like economists  
*by Bryan Caplan & Stephen Miller*

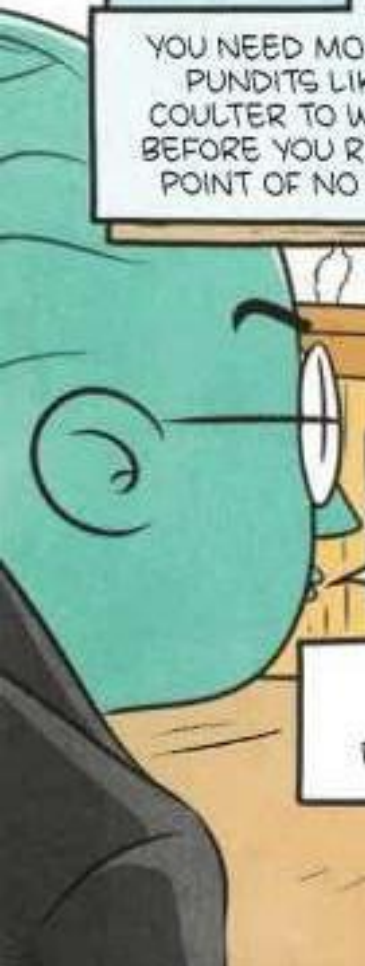


LOW-IQ IMMIGRANTS MAY BE SYMPATHETIC, BUT THEY'RE POLITICALLY DANGEROUS. COUNTRIES THAT WELCOME THEM ULTIMATELY PAY A STEEP PRICE.

YOU NEED MORE BRAVE PUNDITS LIKE ANN COULTER TO WARN YOU BEFORE YOU REACH THE POINT OF NO RETURN.

WHAT THE—

LADY'S AMERICAN  
ANN COULTER



FRANKLY, YOUR OPTIMISM ABOUT LOW-SKILLED IMMIGRANTS IS MERE VIRTUE SIGNALING.

THERE'S A GRAVE TENSION BETWEEN WHAT YOU SAY ABOUT VOTING AND WHAT YOU SAY ABOUT IMMIGRATION.

AND I SAY THERE'S A GRAVE TENSION BETWEEN YOUR PREDICTIONS AND YOUR MATH.





SINCE YOU FEAR LOW-IQ VOTERS, CONSIDER AN EXTREME CASE:  
THE WHOLE WORLD MOVES HERE, DRAGGING U.S. IQ DOWN TO  
THE *CURRENT* WORLD AVERAGE:



CURRENT U.S. IQ:  
98  
CURRENT WORLD IQ:  
87

AN ELEVEN-  
POINT  
FALL.  
DOOM!



LET'S DO THE MATH. ACCORDING  
TO *HIVE MIND'S* MAIN ESTIMATE,  
U.S. PER-CAPITA GDP WOULD  
FALL FROM ITS CURRENT LEVEL  
OF \$57,600 TO...?



OPEN BORDERS GDP  
= 0.51 \* CURRENT GDP  
= \$29,400

\$29,400/  
A 49% DROP!



GROSS *WORLD* PRODUCT PER  
CAPITA IS NOW ROUGHLY \$16,200.  
WHAT HAPPENS TO THAT?



NEW GDP  
OLD GDP =  
\$29,400  
\$16,200 = +81%

IT... ROUGHLY  
DOUBLES.



**WHAT?!**  
DO YOU MEAN TO  
TELL ME THAT  
DESPITE YOUR  
DOOMSAIVING, YOU  
REACH ALMOST  
EXACTLY THE SAME  
RADICALLY  
PRO-IMMIGRATION  
NUMBERS AS  
MICHAEL  
CLEMENS?!



OPEN BORDERS  
DOUBLES  
GLOBAL  
PRODUCTION!

(BEST GUESS.)

IT'S ONLY THE BASIC  
MODEL. *HIVE MIND*  
INVESTIGATES AN  
ARRAY OF SUBTLETIES!





YOU'RE ABSOLUTELY RIGHT, BUT THE SUBTLETIES MAKE IMMIGRATION LOOK FAR *BETTER!*



SO FAR, ESTIMATES ASSUME CAUSATION GOES IN ONLY ONE DIRECTION: IQ RAISES WEALTH. BUT *HIVE MIND* DOCUMENTS MANY FORMS OF *REVERSE* CAUSATION, WHERE WEALTH RAISES IQ!

CREDIBLE CANDIDATES INCLUDE...

BETTER NUTRITION!



BETTER HEALTH!



BETTER EDUCATION!







THE BEST WAY TO MEASURE THE COMBINED EFFECT OF ALL THESE FACTORS IS TO SEE WHAT HAPPENS WHEN PEOPLE FROM FIRST-WORLD COUNTRIES...

...ADOPT KIDS FROM THIRD-WORLD COUNTRIES!

THE BEST DATA COMES FROM SWEDEN, FAMOUS FOR ITS METICULOUS RECORD-KEEPING.

THE BABIES SWEDES ADOPT FROM PLACES LIKE INDIA, THAILAND, CHILE, SRI LANKA, COLOMBIA, AND ETHIOPIA DEVELOP FAR BETTER THAN THE AVERAGE KID WHO'S ACTUALLY RAISED IN THOSE COUNTRIES.



PHYSICALLY BETTER



MENTALLY BETTER





WITHIN THE FIRST WORLD, EFFORTS TO BOOST IQ ARE PRETTY DISAPPOINTING.



WHILE MANY INTERVENTIONS RAISE IQ, GAINS NORMALLY "FADE OUT" IN A FEW YEARS.

EARLY ADOPTION BY HIGH-IQ FAMILIES BOOSTS CHILDREN'S IQs...



BUT EVEN THESE GAINS VANISH BY ADULTHOOD.

MOVING KIDS FROM THE THIRD WORLD TO THE FIRST, IN CONTRAST, HAS A **BIG** AND **LASTING** EFFECT ON IQ.

MOST IMPRESSIVE, A MASSIVE STUDY OF SWEDISH CONSCRIPTS FINDS THAT RECRUITS ADOPTED AS INFANTS FROM THIRD-WORLD COUNTRIES HAVE MUCH HIGHER IQs THAN THE AVERAGE PERSON IN THEIR COUNTRY OF BIRTH.



GROWING UP IN SWEDEN WIPES OUT AT LEAST 40% OF THE INTERNATIONAL IQ CHASM!



BUT CAN WE LEGITIMATELY USE INTERNATIONAL ADOPTION TO ESTIMATE THE EFFECTS OF IMMIGRATION?



YES, AT LEAST FOR IQ. TO REPEAT: ADOPTION *WITHIN* THE FIRST WORLD HAS LITTLE LASTING EFFECT ON IQ. THAT'S A STANDARD FINDING IN BEHAVIORAL GENETICS.



SO WHEN WE SEE BIG IQ GAINS FOR INTERNATIONAL ADOPTEEES, THE KEY INGREDIENT ISN'T THE SPECIFIC FAMILY THAT'S RAISING THEM. IT'S THE KIND OF COUNTRY THEY'RE BEING RAISED IN.



PARENTS AROUND THE WORLD LOVE THEIR CHILDREN, BUT LOVE IS NOT ENOUGH. GROWING UP IN WELL-FED, HEALTHY, HIGH-TECH COUNTRIES RESCUES HUMAN BEINGS FROM PHYSICAL *AND* MENTAL STUNTING.





NURTURE'S EFFECT ON IQ LOOKS LIKE THIS MOUNTAIN. THE BIG PLATEAU IS THE FIRST WORLD; AS LONG AS YOU'RE AT THE TOP, YOUR PRECISE LOCATION DOESN'T MUCH MATTER. THE SLOPES ARE THE THIRD WORLD; YOU HAVE LOTS OF ROOM TO RISE UNTIL YOU REACH THE TOP.

AND AS WE'VE SEEN, THE TOP HAS PLENTY OF ROOM FOR EVERYONE.



UPSHOT: OPEN BORDERS WILL BE *GREAT* FOR HUMAN INTELLIGENCE. THE MORE IQ MATTERS, THE MORE YOU SHOULD *WANT* OPEN BORDERS. IT'S PERVERSE TO EXCLUDE PEOPLE "BECAUSE THEIR IQ IS TOO LOW" WHEN EXCLUSION *CAUSES* THEIR IQ TO BE LOW!



IMMIGRATION RESTRICTIONS STUNT THE BRAINPOWER OF THE NEXT GENERATION AS THEY DEPRIVE THE CURRENT GENERATION OF THE OPPORTUNITY TO USE ALL THE BRAINPOWER IT'S GOT.



WHEN THE BERLIN WALL WENT UP, THE EAST GERMAN GOVERNMENT CALLED IT THE "ANTIFASCIST PROTECTIVE RAMPART," BUT THE WORLD SAW IT FOR WHAT IT WAS:

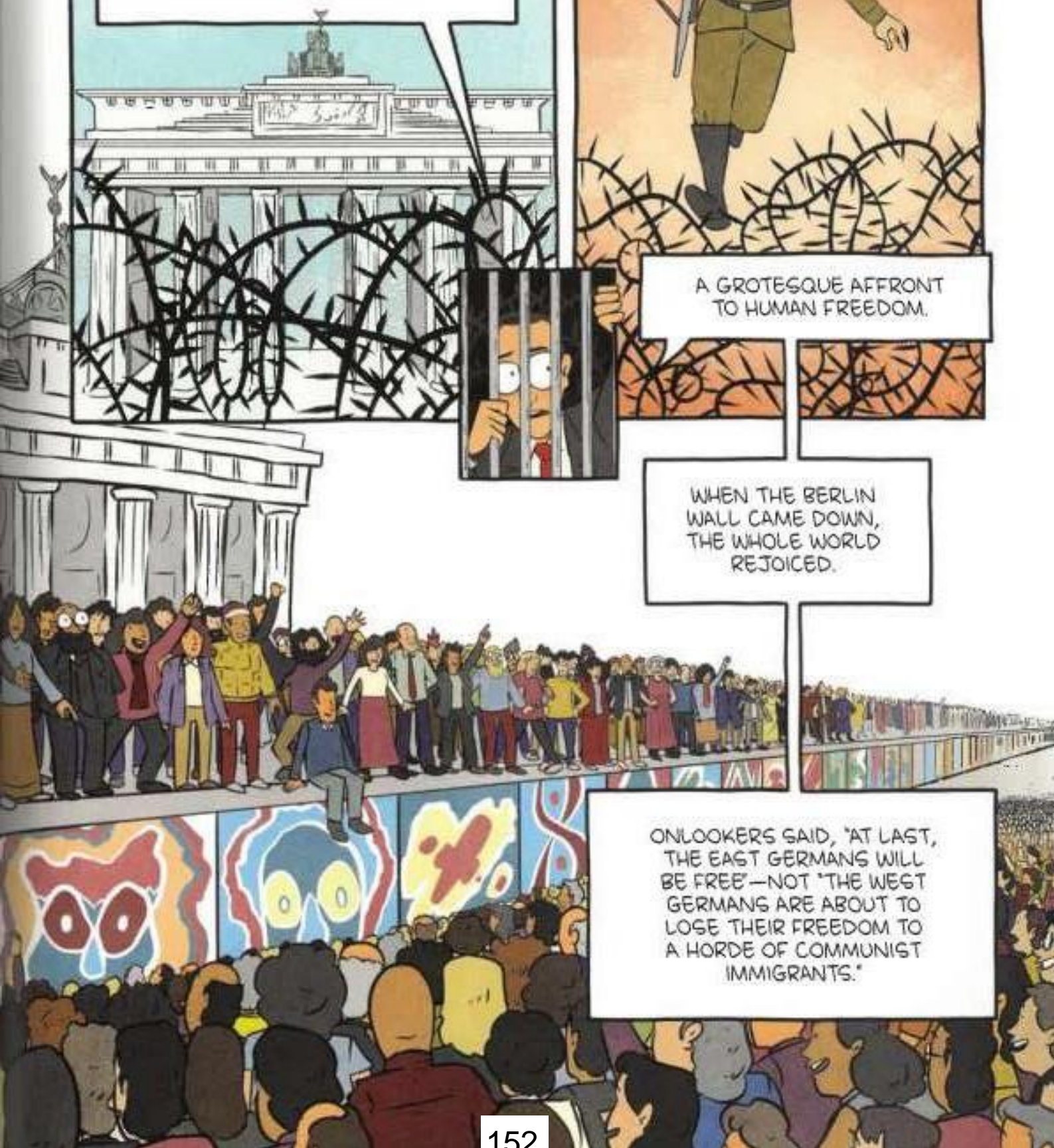


A GROTESQUE AFFRONT TO HUMAN FREEDOM.



WHEN THE BERLIN WALL CAME DOWN, THE WHOLE WORLD REJOICED.

ONLOOKERS SAID, "AT LAST, THE EAST GERMANS WILL BE FREE"—NOT "THE WEST GERMANS ARE ABOUT TO LOSE THEIR FREEDOM TO A HORDE OF COMMUNIST IMMIGRANTS."







WHEN PEOPLE DEFEND IMMIGRATION RESTRICTIONS IN FREEDOM'S NAME, I SYMPATHIZE.



BUT WHEN YOU CALMLY QUANTIFY THE THREAT IMMIGRANTS POSE TO OUR FREEDOM, THERE'S LITTLE TO SEE. THE THREAT OUR LAWS POSE TO *THEIR* FREEDOM, IN CONTRAST, IS SADLY REAL.



Jun 21, 2007

3 min read

Robert Rector

**Senior Research Fellow, Center for Health and Welfare Policy**

*Robert is a leading authority on poverty, welfare programs, and immigration in America.*

A decade ago, Nobel prize-winning economist Milton Friedman admonished the Wall Street Journal for its *idée fixe* on open-border immigration policy. "It's just obvious you can't have free immigration and a welfare state," he warned. This remark adds insight to the current debate over immigration in the U.S. Senate.

To be fully understood, Friedman's comment should be viewed as applying not merely to means-tested welfare programs such as food stamps, Medicaid, and public housing, but to the entire redistributive transfer state. In the "transfer state," government taxes the upper middle class and shifts some \$1.5 trillion in economic resources to lower-income groups through a vast variety benefits and subsidies. Across the globe, this sort of economic redistribution is the largest, if not the predominant, function of government in advanced societies.

The transfer state redistributes funds from those with high-skill and high-income levels to those with lower skill levels. Low-skill immigrants become natural recipients in this process. On average, low-skill immigrant families receive \$30,160 per year in government benefits and services while paying \$10,573 in taxes, creating a net fiscal deficit of \$19,587 that has to be paid by higher-income taxpayers.



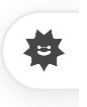
There is a rough one-to-one fiscal balance between low-skill immigrant families and upper-middle-class families. It takes the entire net tax payments (taxes paid minus benefits received) of one college-educated family to pay for the net benefits received by one low-skill immigrant family. Even Julian Simon, the godfather of open-border advocates, acknowledged that imposing such a burden on taxpayers was unreasonable, stating, "immigrants who would be a direct economic burden upon citizens through the public coffers should have no claim to be admitted" into the nation.

There is also a political dimension to the transfer state. Elections in modern societies are, to a considerable degree, referenda on the magnitude of future income redistribution. An immigration policy which grants citizenship to vast numbers of low-skill, low-income immigrants not only creates new beneficiaries for government transfers, but new voters likely to support even greater transfers in the future.

The grant of citizenship is a transfer of political power. Access to the U.S. ballot box also provides access to the American taxpayer's bank account. This is particularly problematic with regard to low-skill immigrants. Within an active redistributionist state, as Friedman understood, unlimited immigration can threaten limited government.

Many libertarians respond to this dilemma by asserting that the real problem is not open borders but the welfare state itself. The answer: dismantle the welfare state. The libertarian Cato Institute pursues a variant of this policy under the slogan, "build a wall around the welfare state, not around the nation." Borders should be open, but immigrants should be barred from accessing welfare and other benefits.

But in practice, pursuit of these dual libertarian goals of opening borders and ending the redistributionist welfare state often leads to contradictions. The current Senate "comprehensive" immigration-reform bill, supported by the Cato Institute, actively demolishes existing walls between illegal immigrants and government benefits, granting some 12 million illegal immigrants (60 percent of whom are high-school dropouts) access to Social Security, Medicare, and, over time, to 60 federal means-tested welfare programs.



It also substantially increases the future flow of low-skill immigrants and gives them access to welfare and transfer programs. Far from building a “wall around welfare,” this legislation levels existing walls, builds a highway to Fort Knox, and shovels billions in taxpayer funds into the pockets of immigrants who entered this country illegally.

In a recent debate with Dan Griswold of the Cato Institute, I pointed out this paradox. Griswold replied that the key was to grant amnesty and open borders now and work on “building a wall around welfare” at some point in the future. The weakness of this response should concern all those interested in limiting the size of government.

While most open-border libertarians proclaim a desire to dismantle both borders and the welfare state, in practice what they offer is open borders today and a vague (and almost certainly illusory) promise to end the welfare state in the indefinite future. As Milton Friedman understood, open-border enthusiasts have the sequence wrong: Opening borders with the redistributionist state still intact will result in a larger and more confiscatory government. In response to libertarians who propose to open borders and dismantle the welfare state, practical conservatives should answer: “Go ahead. Dismantle the welfare state. As soon as you’ve got that finished, let us know, and then we’ll talk about open borders.”

Open-border enthusiasts sometimes claim that the 1996 welfare reform defanged the welfare system, eliminating the costs that low-skill immigrants impose on taxpayers. As one of the architects of that reform, I would warn that this view shows a serious lack of understanding of the limited scope of the 1996 welfare law, and, more importantly, a lack of appreciation of the magnitude of the redistributionist state.

Sen. Ted Kennedy understands that a steady stream of low-skill immigrants will help him build a much larger, tax-fueled government. It is a pity that so many foes of big government fail to appreciate this point.

Robert Rector is a senior research fellow at The Heritage Foundation.





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## Milton Friedman's Argument for Illegal Immigration

by Will Wilkinson on June 11, 2008

Yesterday at Hit & Run, Kerry Howley put up a [brilliant post](#) on Milton Friedman's most misused utterance (riffing off [Bryan Caplan's also outstanding post](#)) which I thought was more or less dispositive.

But in the comments, MikeP (this man needs his own blog, if he doesn't have one) points to this [immensely useful post](#) containing a partial transcript of a much more considered and representative discussion of immigration by Friedman from a lecture titled "What Is America." It really puts the wall-builders' favorite Friedman quotation in its proper context.

You had a flood of immigrants, millions of them, coming to this country. What brought them here? It was the hope for a better life for them and their children. And, in the main, they succeeded. It is hard to find any century in history, in which so large a number of people experience so great an improvement in the conditions of their life, in the opportunities open to them, as in the period of the 19th and early 20th century.

[...]

You will find that hardly a soul who will say that it was a bad thing. Almost everybody will say it was a good thing. 'But what about today? Do you think we should have free immigration?' 'Oh, no,' they'll say, 'We couldn't possibly have free immigration today. Why, that would flood us with immigrants from India, and God knows where. We'd be driven down to a bare subsistence level.'"

"What's the difference? How can people be so inconsistent? Why is it that free immigration was a good thing before 1914 and free immigration is a bad thing today? Well, there is a sense in which that answer is right. There's a sense in which free immigration, in the same sense as we had it before 1914 is not possible today. Why not? "

Because it is one thing to have free immigration to jobs. It is another thing to have free immigration to welfare. And you cannot have both. If you have a welfare state, if you have a state in which every resident is promised a certain minimal level of income, or a minimum level of subsistence, regardless of whether he works or not, produces it or not. Then it really is an impossible thing.



Look, for example, at the obvious, immediate, practical example of illegal Mexican immigration. **Now, that Mexican immigration, over the border, is a good thing. It's a good thing for the illegal immigrants. It's a good thing for the United States. It's a good thing for the citizens of the country. But, it's only good so long as its illegal.**

That's an interesting paradox to think about. Make it legal and it's no good. Why? Because as long as it's illegal the people who come in do not qualify for welfare, they don't qualify for social security, they don't qualify for the other myriad of benefits that we pour out from our left pocket to our right pocket. So long as they don't qualify they migrate to jobs. They take jobs that most residents of this country are unwilling to take. They provide employers with the kind of workers that they cannot get. They're hard workers, they're good workers, and they are clearly better off.

Friedman's point about free immigration and the welfare state, then, was simply that if the U.S. is going to offer welfare payments to *anybody who legally migrates*, then we're going to have to put a limit on legal migration. But because free migration is *such an unmitigated good*, limits on legal migration make both the immigrants and the natives worse off. So, *illegal* migration, which severs the fact of residency from welfare eligibility, is therefore *desirable* in the context of a regime that guarantees welfare eligibility to all *legal* residents.

Friedman's considered view is that free migration without a welfare state is first best. Welfare for *all legal residents* makes first-best free migration impossible. In *that* case, a high rate of illegal immigration is the second-best solution.

Now, Friedman's discussion would have been much clearer had he recognized the logical and practical possibility of severing legal residency from welfare eligibility. It need not be the case that *all legal residents* are made eligible for welfare. Indeed, there are many *actual* effective restrictions on welfare eligibility based on legal immigration status. In the 1999 ISIL interview, Friedman says of this possibility: "I don't think that it is desirable to have two classes of citizens in a society." And then he admits that he had never thought about it before. Well, if he had, he would have grasped that illegal immigration — which, remember, he thinks is pretty great — *ensures* a very stark separation of classes. Because tight immigration restrictions hinder pareto-improving mobility, create underground economies that encourage corruption and abuse, and do much more to create invidious structural inequalities than would a formalized guest worker system, Friedman's own logic clearly leads toward opening up labor markets while restricting welfare eligibility. It is no accident that Lant Pritchett, an economist very much in the Friedmanite mold, [argues for precisely that](#).

But the important takeaway here is this: Friedman's view is that a certain kind of unrestricted welfare state makes *illegal* immigration good, because it severs residency from welfare eligibility. Friedman is unequivocal about the desirability of free migration. Anyone really committed to Friedman's stated view about welfare and immigration should by no means try to restrict immigration, but instead should try to enable *illegal* immigration. A devout Friedmanite should stand stoutly against every fence, every border cop, every increase in the INS budget, any proposed database check for a new workers' legal status, etc. I think it makes *more* sense to argue first for a guest worker program. But if that is in fact impossible, then Friedman has it right: more illegal immigration *is* the best we can do.

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