

Why Harvard's George Borjas is worried about immigration

By: Joseph Lawler June 13, 2014

George Borjas is the "perfect enemy" of those who believe that mass <u>immigration</u> benefits society, one immigration researcher has written. He "applies honest, fair and constant pressure on our sure beliefs about immigration."

As a skeptic of high levels of low-skilled immigration who doesn't think the U.S. is a "melting pot" any longer, Borjas, a Harvard labor economist, at times has found himself in a lonely position for an elite economist in the public sphere.

By criticizing the Bush administration's 2007 immigration reform bill, for instance, Borjas placed himself against the Republican establishment and the Wall Street Journal editorial page as well as the <u>Democratic Party</u>.

Borjas, an ebullient 63-year-old who speaks with the accent of his native <u>Cuba</u>, hasn't been involved in advocacy regarding immigration for five years, he says, just before giving a presentation to the Open Borders enthusiasts at the libertarian <u>Cato Institute</u> in Washington.

He has sat out the jostling over the <u>Senate</u>-passed immigration bill. "I find the whole thing so skewed," he says, explaining that he doesn't understand the fixation over illegal immigration when other factors are more consequential.

To highlight those factors, the prolific Borjas has written a new book, Immigration Economics, aimed at academics and intended to avoid the tricky politics of the issue. Borjas wants to "set the record straight" on the facts of the economics of immigration.

In the book's introduction, Borjas explains that an important theme is that "immigration has consequences, and those consequences generally imply that some people lose while others benefit."

In the past, Borjas has argued that a high volume of low-skilled immigration makes losers of low-income Americans, driving down their wages through increased competition.

Those findings have sparked a large volume of increasingly complicated academic studies on the question of immigration's effects on native wages. It's an ongoing debate, Borjas acknowledges. He says he has advanced it in the book by focusing on the question of what constitutes a "low-skill worker." If high school dropouts and high school grads are roughly at the same skill level, they won't suffer large losses from competition with new immigrants, because together they're a big bloc less likely to be affected by the sheer number of immigrants. If dropouts have less skill than graduates, however, they constitute a smaller segment of the labor force, a group vulnerable to losses from competition with immigrants, very few of whom are high school grads.

The answer isn't clear. But Borjas suspects most analysts would agree that low-skilled immigration has contributed to inequality. A recent survey of top economists conducted by the University of Chicago found that a majority agreed that, if they weren't compensated, many low-skilled American workers would be substantially worse off if immigration increased.

A related issue that Borjas raises in his book is that immigrants' skill levels have been held back by slower assimilation. Immigrants arriving in the U.S. in the 1970s would start out with low wages and then catch up with native workers, he explains. That mobility began to stall in the late '80s, and stopped altogether in the '90s.

That's largely because more recent groups of immigrants aren't learning <u>English</u> at the same rates as their predecessors. Borjas suggests that "it's not very costly anymore" for new immigrants to fail to learn English because the large size of existing groups from their countries creates insular communities where they can function with just each other.

Previous waves of immigration, such as the early-20th-century mass Italian migration to the U.S., did not have similar results. Because of the Immigration Act of 1924 that drastically curtailed immigration, Italian "ethnic enclaves stopped being replenished," Borjas says, meaning that a dynamic like today's never took hold.

This ongoing failure of assimilation, according to Borjas, is often overlooked because "there's a narrative" about immigration in the U.S., that the facts don't fit into. But he describes the idea of an American melting pot as a myth and warns that immigrants with low prospects of assimilation could be falling into an "economic trap."