Immigration: A Strange Contention

Bryan Caplan
Dep’t of Economics
George Mason University
The Free Migration Presumption

• Classical liberals have a presumption against government restrictions on human freedom, especially when there are large, clear economic costs.
  • Even when the restrictions are popular or “democratic”!

• Immigration restrictions are a massive government restriction on human freedom.
  • Most people on Earth cannot live or work in the First World without government permission, and this permission is almost impossible for most to obtain. Jim Crow analogy is apt.

• Standard trade models say that this regulation has enormous deadweight costs.
  • Huge price wedge (often 1000%+) $\Rightarrow$ $\approx$50% reduction in Gross World Product.

• Yet immigration liberalization remains a highly “contentious issue” in classical liberalism. Why is this so?
Overcoming the Presumption?

• Classical liberals often defend immigration restrictions using arguments they would reject for almost any other issue.
  • Collective ownership ("trespassing")
  • Collective guilt
  • Shocking anecdotes
  • Popular support

• The better critics, however, accept the standard presumption against government regulation of immigration, then try to surmount it.
  • Fiscal burden
  • Cultural harm
  • Political externalities

• Main hurdle: Estimated cost of immigration restriction is HUGE, so these critics have to find comparably massive benefits of regulation.
Protecting Taxpayers?

• Simple story: The American welfare state pays more for idleness than many countries pay for work. So immigrants come to abuse the system.

• Key fact about the U.S. welfare state: Most of the money goes to the old, not the poor.

• Upshot: Almost no serious researcher finds a big negative fiscal effect of immigration.
  • NAS estimates of NPV using CBO Long-Term Budget Outlook (Blau and Mackie 2016):

<table>
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<th>Current Average</th>
<th>HS Only</th>
<th>&lt;HS</th>
<th>HS + Young</th>
<th>&lt; HS + Young</th>
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<td>+$58k</td>
<td>+$49k</td>
<td>-$117k</td>
<td>+$239k</td>
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• Absurd? Remember – much gov’t spending is non-rival. Immigrants help spread the cost of national defense, debt service, etc.
Protecting American Culture?

• Another complaint: Immigrants are destroying American culture. They won’t learn English, fit in, etc.

• Obvious flaw: Over 90% of second-generation Mexicans speak fluent English.

• “Magic dirt”? No, “magic culture”!

• The power of pre-assimilation.

• The crime consensus. (NAS – Waters and Pineau 2015)
Protecting American Liberty?

• The most popular objection of the friends of freedom: Immigrants come from “statist” countries, and will eagerly vote to ruin our country, too.

• There’s a kernel of truth, but the problem’s greatly over-stated.
  • Non-natives are more socially conservative and economically liberal, but the difference is marginal (except for least-educated).
  • Non-natives have low turnout (especially the least-educated).
  • Immigrants reduce natives’ support for the welfare state because people resent helping out-groups. (Alesina et al. 2018)
Why the Contention?

• Classical liberals have long argued that humanity’s support for big government is based not on “facts,” but biased thinking.
  • Anti-foreign bias
  • Zero-sum illusion
  • Innumeracy

• Why are so many classical liberals skeptical about immigration?
• What’s the friendliest way to say, “I blame remnants of the biased thinking they’ve managed to overcome on so many other topics”?
• If classical liberals won’t stand up for the justice and wonder of free trade in labor, who will?!