

The Benefits Of Immigration

by Donald J. Boudreaux for the Foundation for Economic Education

I recently challenged a case, made by some market-advocates, for immigration restrictions. I have since received scolding letters and E-mails from numerous people predicting that open borders would bring all manner of calamities. While some writers were less certain than others about the baleful consequences of unregulated immigration, only one correspondent fully shared my support for eliminating all immigration restrictions.

These many letters have prompted me to think longer and harder about immigration. Alas, my opinion remains unchanged: we should welcome all immigrants. Government should not redistribute income to immigrants, but neither should government prevent immigration.

Each immigrant comes to America to make himself better off. Suppose government no longer redistributes income to immigrants. Would immigrants still relocate here? You bet! A handful will come because some Americans are willing to use their own resources to care for them. Most immigrants will come because each has sufficient skill and ambition to profit in the market.

Absent government welfare payments to immigrants, immigrants who do not seek work burden no one other than family or friends who voluntarily assume this burden. I here ignore such non-working immigrants who receive no government handouts. These immigrants do not raise the ire of anti-immigrationists. Opponents of immigration object most vehemently to immigrants who are eager to work.

Such objections are mistaken. Let's see why.

Juan is a hypothetical immigrant. He arrives in America and immediately begins looking for employment. Before finding a job, he must secure food, clothing, and shelter. He may do so from funds brought with him from his native country, or he may depend upon the kindness of family, friends, or charitable organizations here in the United States. In either case, because such transfers are voluntary, no American is harmed.

If Juan resorts to theft, however, the story is different. Some Americans are indeed harmed. But criminal law is the appropriate tool for dealing with such thievery. Restricting immigration on the grounds that a handful of immigrants behave criminally would be like denying drivers licenses to everyone just because a small percentage of people drive recklessly. More focused and less ham-fisted means are available in both cases for weeding out the bad apples from the good.

Juan, however, is no thief. He's a worker. Suppose that Juan has no skills of any value to any American. He can do nothing that any American is willing to pay for. In this case, Juan will eventually return home. No American is harmed. (Actually, Juan would probably not come to America in the first place. People so destitute of skills are unlikely

to leave home in search of work in a foreign and highly competitive economy.)

But Juan is extremely unlikely to lack *any* skill for which Americans are willing to pay some mutually agreeable wage. Readers who doubt this claim should consult that cornerstone of economics called the theory of comparative advantage—a theory, by the way, that exposes the senselessness of identifying people economically as being "above average" or "below average." The theory of comparative advantage makes clear that everyone is above average at some tasks and below average at many others.

When Juan finds employment, not only is Juan made better off, but so, too, is his employer. Consumers are also made better off, for the higher output or lower cost that Juan's availability makes possible for his employer is shared with consumers through reduced prices or improved product quality. Nothing to complain of so far.

Some people, however, *are* harmed by Juan's availability—namely, American workers who compete with Juan. If Juan's most marketable skill is nearly identical to the most marketable skill possessed by Sam the American, Juan is a potential rival for Sam's job. Because of Juan, Sam's income may fall.

Protecting Sam from income loss, though, is inappropriate. To prevent Juan from entering America is to do nothing more virtuous than to protect Sam from competition. *But it is also to prevent George and Bill and other Americans from freely dealing with Juan, who is someone they would otherwise choose to deal with!* To restrict immigration is to deny to Americans their freedom of association. Sam, then, becomes a monopolist under immigration restrictions. If Sam suffers income loss when these restrictions are lifted, he is no more worthy of our solicitude than is any other monopolist whose monopoly privilege unravels.

Suppose that government grants me the exclusive privilege to write newspaper op-eds. No longer can publishers carry the likes of Walter Williams, George Will, Maureen Dowd, or Russell Baker. Protected from such competitors, my income skyrockets. Now imagine that government withdraws this privilege. Publishers— and readers!—are again free to patronize op-ed writers other than me. My income plummets.

Should you feel sorry for me? Of course not. Would you conclude from the fact that this heightened competition reduces my income that the wealth of the nation falls? Of course not. Likewise, productively employed immigrants invariably increase the nation's wealth by intensifying competition and expanding the division of labor. Immigration restrictions, in contrast, reduce economic growth. Prosperity cannot be bred by monopoly protections.

immigration opponents also fear that open immigration means overcrowding. This worry is overblown. First, the United States is sparsely populated. Second, owners of private property have incentives to keep their properties from being overcrowded. The proper solution to overcrowding is privatizing those property holdings not yet privatized, not forcibly stopping productive people from coming to our country.

Third, overcrowding is an elusive concept. Among the people who wrote to complain that immigration spawns overcrowding was a resident of New York City. But this person clearly doesn't mind crowds. If he did, he'd move to Oklahoma or Mississippi.

Manhattan is one of the most densely populated spots on earth. Yet it is also one of the wealthiest. New Yorkers often complain of crowds, but no one is compelled to live in that city. The reason people live there is because economic opportunity in New York is vast. Living in close contact with lots of people is a price that many of us voluntarily pay for the opportunity to take advantage of the wealth-producing capacities of an extensive division of labor.

New York and Los Angeles are crowded but wealthy. Oklahoma and Mississippi are sparsely populated but much poorer. This fact alone is ample evidence of the great economic benefits of immigration.

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About The Author

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