



# Migration & Development: Introduction

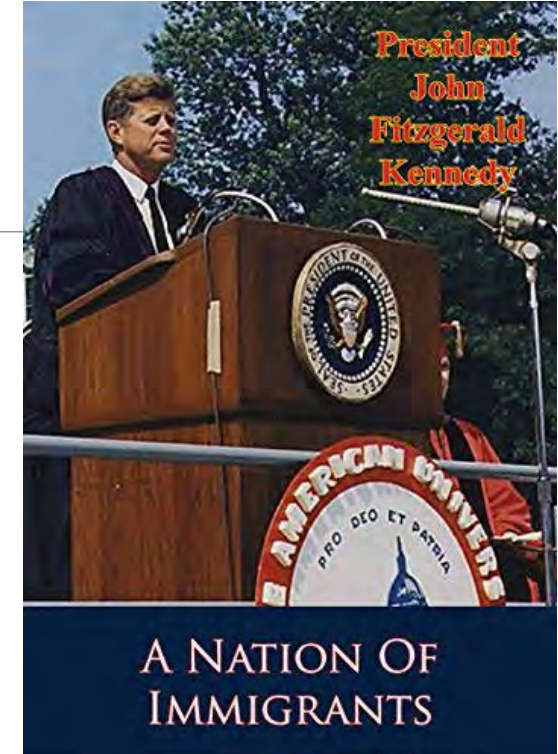
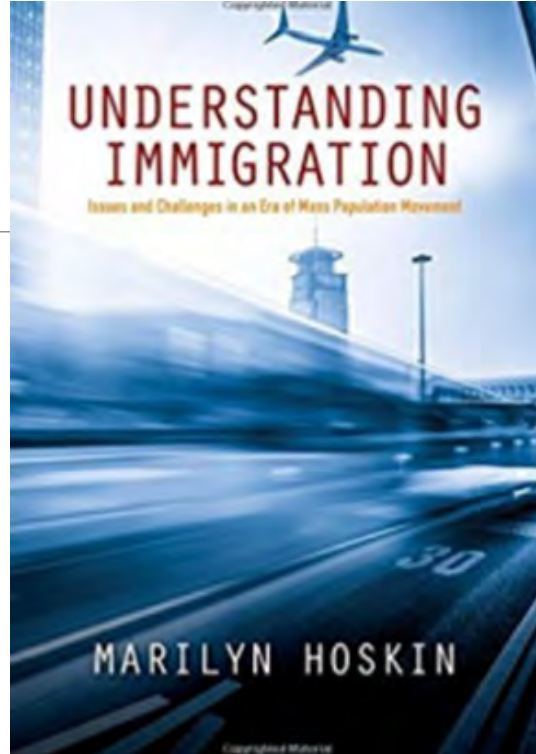
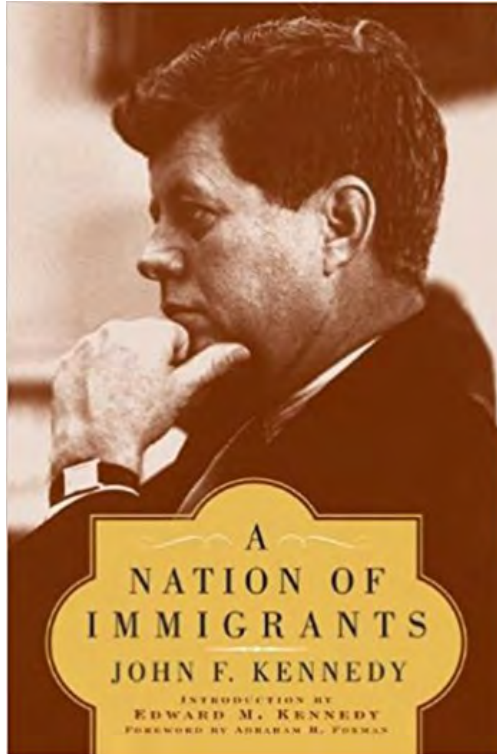
Economics 3248 Migration and Development Spring 2018

Darryl McLeod, Economics Department

# ECON 3248 Key topics..

- 1) Immigration in the United States: Is California our future?
- 2) Refugees/human rights driven migration in the U.S. and Europe: immigration ..
- 3) Migration, gender and poverty in South Asia... in Asia: has China reached a “Lewis turning point..”?





## Part 1: Books History of U.S. immigration, compare to France, UK and Germany... Marilyn Hoskins CUNY

WHY [JFK'S BOOK? \\$3.99 FROM](#) PICKLE PRESS (KINDLE VERSION...



# Children ON THE RUN.

UNACCOMPANIED CHILDREN LEAVING CENTRAL AMERICA AND MEXICO

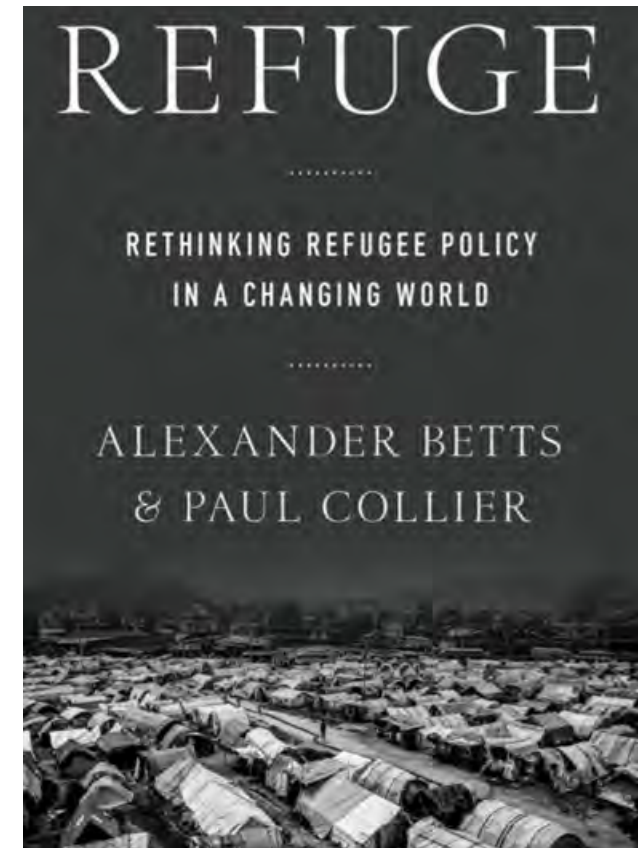
Part 2: Humanitarian Refugee integration.. Central America was/is a model of how its done?

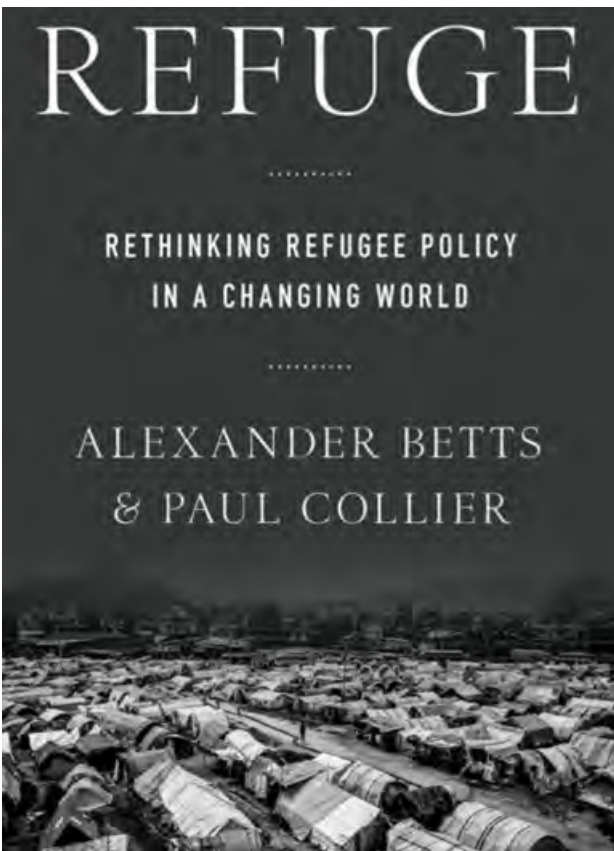


# Betts and Collier, some good ideas & pictures but not worth buying.. Six “new ideas”

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1. All refugees have right of “rescue” a moral obligation for us. To help, as when we see a child drowning in a pond...
2. It is better to help refugees stay in neighboring nations, Jordan, Kenyan, Pakistan, Mexico, etc.
3. They need work and education not just tents and food... major point...
4. Globalization can provide jobs and prepare for post-conflict recovery, e.g. in Syria..

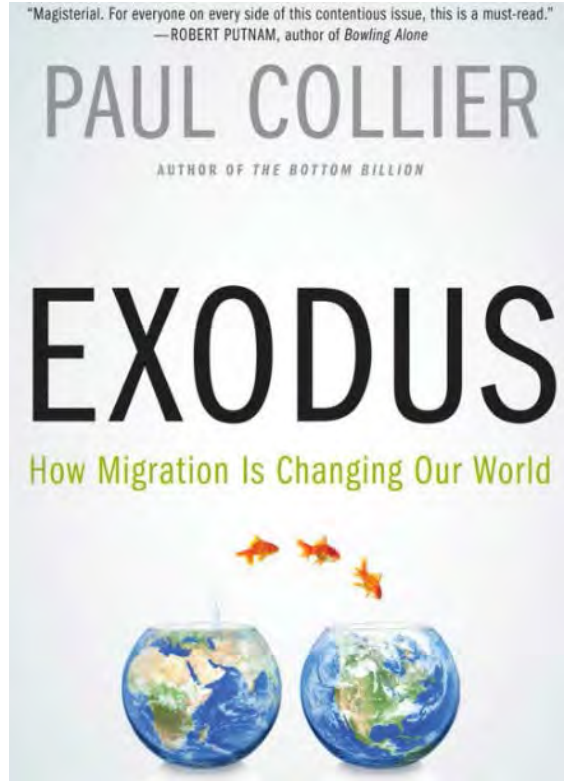




Betts and Collier, issue fair warning early, manage to insult everyone, especially “euro centrics...”

1. Angela Merkel is “headless heart” saying “ we can do this to millions of refugees from Syria/Eritrea
2. UNCHR is leftover humanitarian “silo” not realizing why everyone hates their camps...
3. Refugees are not migrants and should not be allowed to migrate to rich nations: bad for everyone
4. Mainly good reasons, but Collier has some Atticus Finch moments... his family is from Germany...

## Collier has similar problems in Exodus..



1. Watch Al Jazeera Head to Head with
  2. Robert Putnam calls this book “magisterial” but then retracts his own argument...
  3. Collier was right about limits, and Shengen shock caused by immigrants, contributed to Trump and Brexit
- Mainly good reasons, but Collier has some Atticus Finch moments... his family is from Germany...



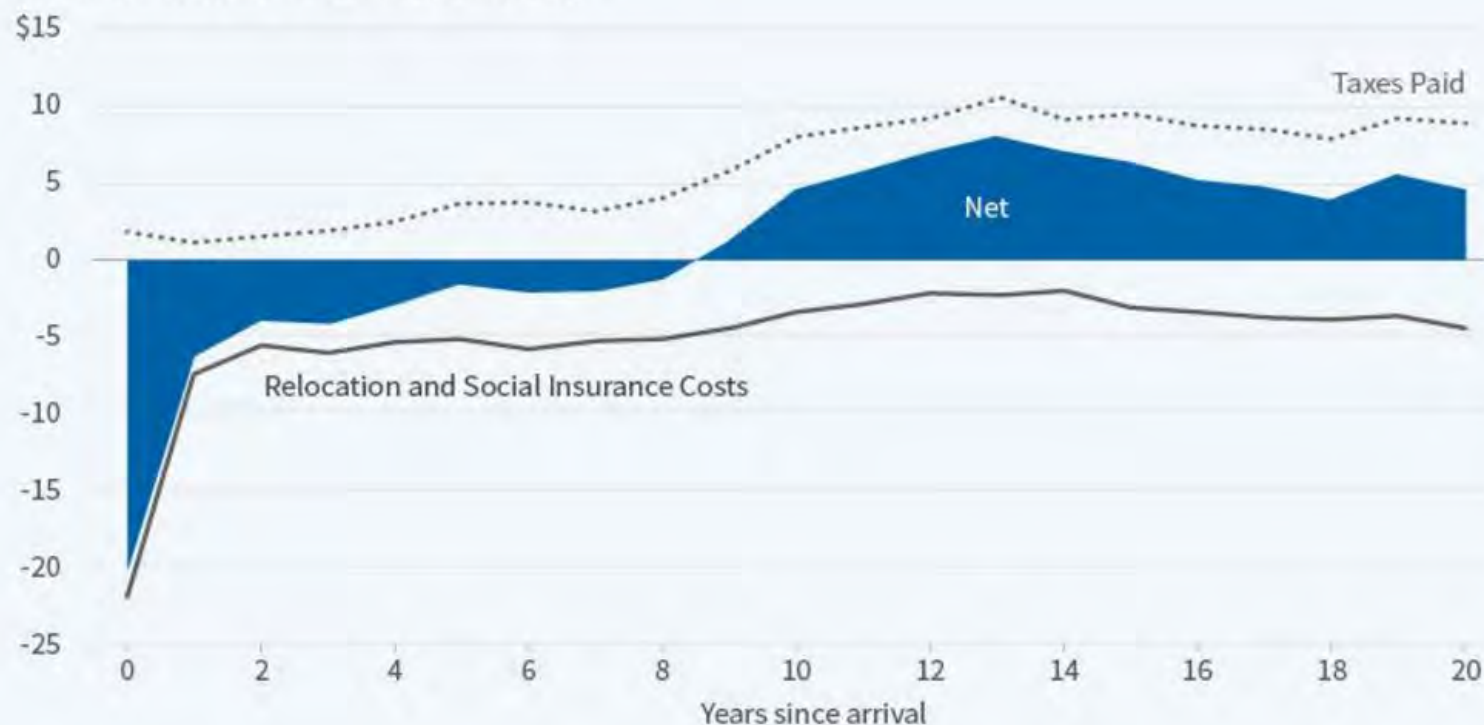
## Part 2: Humanitarian Refugee integration.. Readings?



## What Happens When Refugees Come to the United States

### Fiscal Costs of Refugees Aged 18-45

Annual costs in constant dollars (thousands)



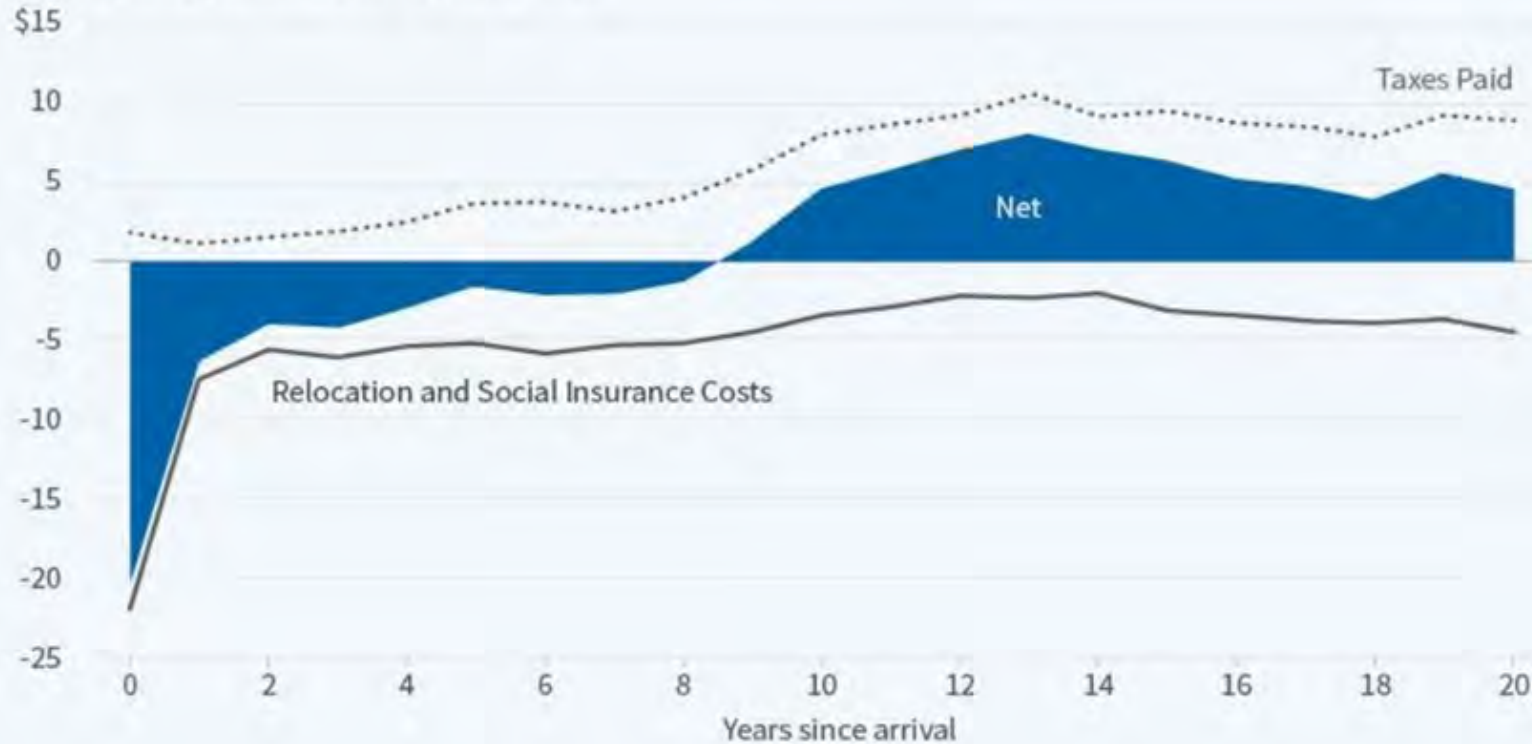
Source: Researchers' calculations using data from the American Community Survey, the Bureau of Population, Refugees, and Migration, NBER's TAXSIM and other federal and state databases

Part 1: Immigration from Asia and Latin America to the U.S.  
Are refugees migrants? Recent NBER study of typical Refugee in the United States

## What Happens When Refugees Come to the United States

### Fiscal Costs of Refugees Aged 18-45

Annual costs in constant dollars (thousands)



Source: Researchers' calculations using data from the American Community Survey, the Bureau of Population, Refugees, and Migration, NBER's TAXSIM and other federal and state databases

Betts and Collier are against longer term integration: return refugees once conflict ends: to Syria under Assad?

## Part 2: Is refugee integration costly to U.S. government..

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Are refugees a burden on the taxpayer? New NBER paper presents evidence suggests that, with a long enough perspective, the answer is no. [William N. Evans](#) and [Daniel Fitzgerald](#), in **The Economic and Social Outcomes of Refugees in the United States: Evidence from the ACS** (NBER Working Paper No. [23498](#)), find that over their first 20 years in the United States, refugees who arrived as *adults aged 18-45 contributed more in taxes than they received in relocation benefits and other public assistance. They also find that the younger the refugees were when they resettled in America, the more likely they were to catch up with their native-born peers educationally and economically.*

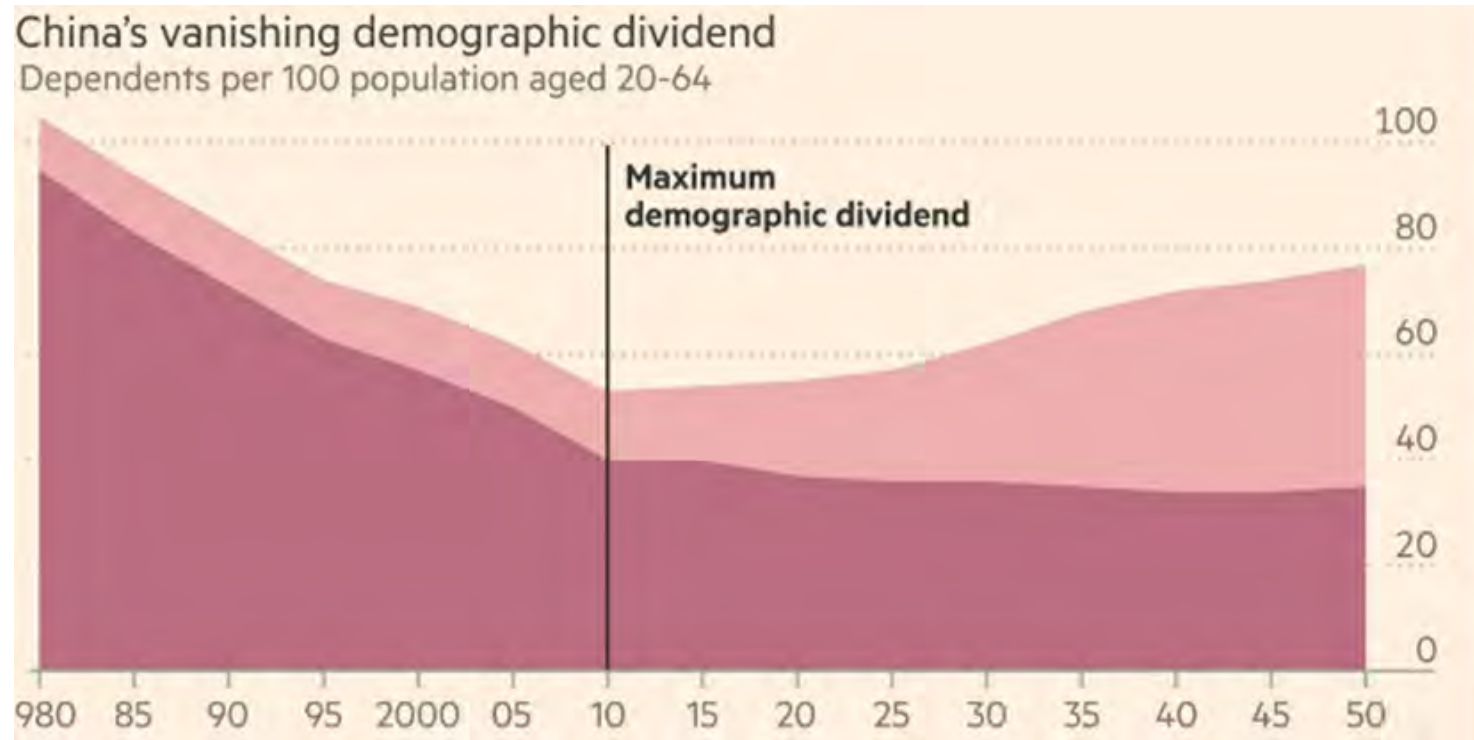




A campaign poster for Mohamed A. Mohamed in Mogadishu, Somalia, where he was born.

Somalia: Remittances as Famine Relief (Oxfam video) and Refugees return: Mohamed A. Mohamed SUNY Buffalo graduate elected President of Somalia...

# China's reaches its Lewis Turning Point (43% urbanized)



World

## End of the migrant miracle: China at the Lewis Turning Point

China's labour force is shrinking, and the flow of workers migrating from farm to factory is dwindling. The end of surplus labour has profound implications for the Chinese economy



Save to myFT

May 1, 2015 Slideshow by Cleve Jones and Aleksandra Wisniewska. Map by Robin and Steve Bernard. Script by Gabriel Wildau. / Images: Getty





## FT Magazine on China    Great Migration Ends?





## [FT Magazine on China](#)   [Great Migration Ends?](#)

# Part 3: migration changes gender roles, always... reduces severe poverty here and in Asia..



**FACTORY GIRLS** // *Leslie T. Chang*

From Village to City in a Changing China



# References on Putnam, 2007

**Replication by [Abascal & Baldassarri, 2015\\*](#)** using his original data and Putnam (2012) revises much of Putnam's (2007) E Pluribus Unum (out of many, one) article cited by Collier to argue immigration reduces social capital by increasing diversity and reducing trust (for which he cites Robert Putnam as in Bowling Alone). This article says they used the same data Putnam's dataset putnam did to show that the causal link is not from diversity to lack of trust, but from cultural and SES factors to a lack of trust... the Putnam, 2012 says diversity has ST costs but is "inevitable and beneficial" long run benefits... though he also said this in 2007, less forcefully... Read about their replication here,

Love Thy Neighbor? Ethnoracial Diversity and Trust Reexamined Author(s): Maria Abascal and Delia Baldassarri Source: American Journal of Sociology, Vol. 121, No. 3 (November 2015), pp. 722-782 Published by: The University of Chicago Press Stable URL: <http://www.jstor.org/stable/10.1086/683144> .

quotes from Putnam's Amicus brief *"The evidence that Dr. Putnam reviewed in his essay demonstrated that increased diversity in the United States and other advanced nations is inevitable and that, while this fact may present challenges in the short to medium term, increased diversity can benefit society in the medium to long term by including a broader range of groups within what it means to be, for example, an American. Page* **Brief Of Dr. Robert D. Putnam As Amicus Curiae In Support Of Respondents** (see link in NY Times or url below) *First, "[i]ncreased immigration and diversity are not only inevitable, but over the long run they are also desirable. Ethnic diversity is, on balance, an important social asset, as the history of [the United States] demonstrates." Id. at 138. Second, "[i]n the short to medium run, however, immigration and ethnic diversity challenge social solidarity and inhibit social capital." Id. Third, "[i]n the medium to long run, on the other hand, successful immigrant societies create new forms of social solidarity and dampen the negative effects of diversity by constructing new, more encompassing identities." Id. at 138-39. Accordingly, "the central challenge for modern, diversifying societies is to create a new, broader sense of 'we.' page 5 Putnam cites also (have not read) Scott E. Page, The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools and Societies (2007). <http://nyti.ms/1XFQdh3>*

Putnam, Robert D. (2007) "E pluribus unum: Diversity and community in the twenty-first century the 2006 Johan Skytte Prize Lecture." *Scandinavian political studies* 30, no. 2 (2007): 137-174. cited 3003 ti



# *A Nation of Immigrants* (1959) Kennedy's and Johnson set out to end race based quota system relaxed in 1965 U.S. immigration shifted quietly but decisively

1924 Immigration restricted: a series of "Asian exclusion acts"

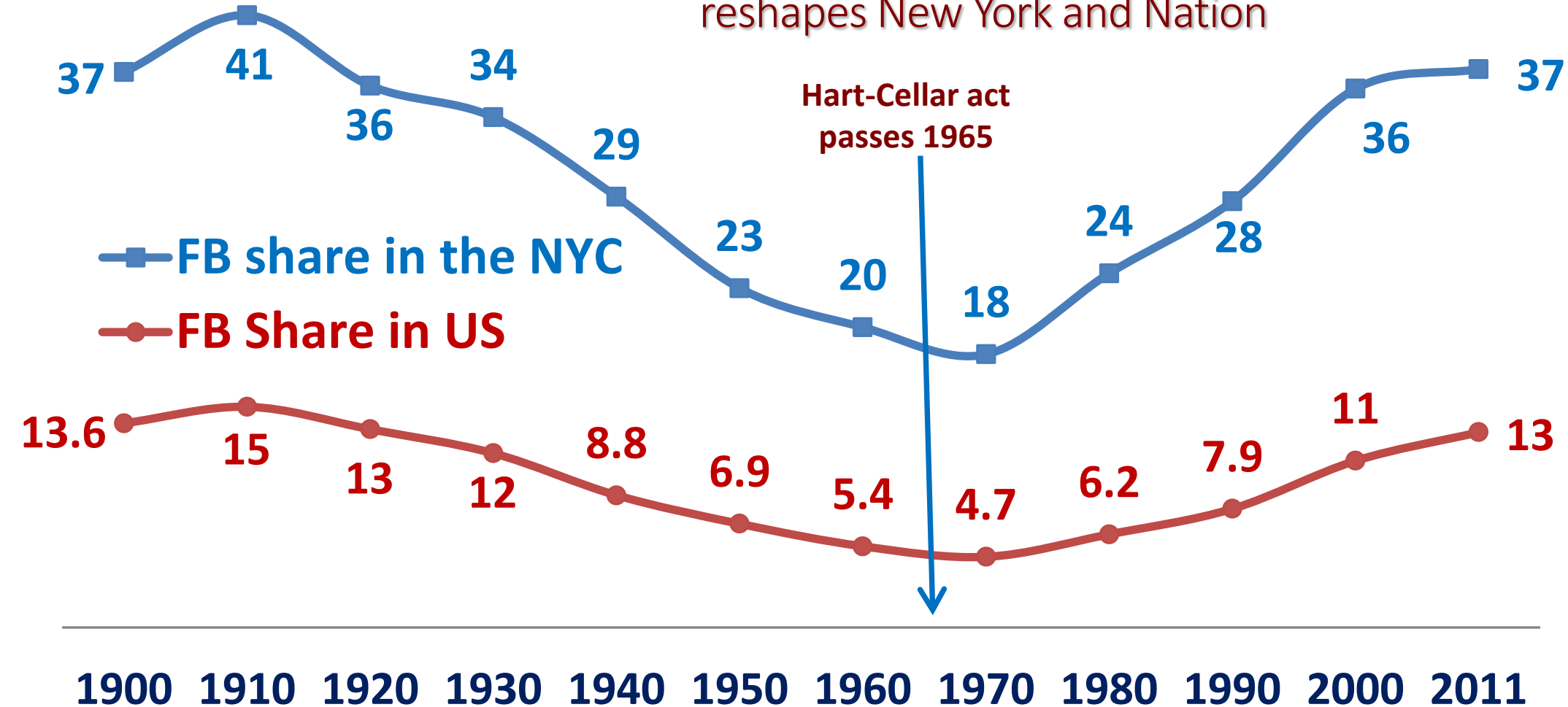
1965 Immigration and Nationality Act, aka. the Hart-Cellar Act (signed by with little fanfare by President Johnson initiated by President & Attorney General Kennedy and Rep. Emmanuel Celler of Brooklyn)

1986 Immigration Reform and Control Act of 1986, (IRCA or Simpson-Mazzoli Act) -requires employers to verify employees' immigration status. -made it illegal to knowingly hire unauthorized immigrants. - granted amnesty to about 3 million immigrants who entered the US before January 1, 1982 and resided here continuously.



# Figure FB-1 NYC Foreign born back to 1900 share

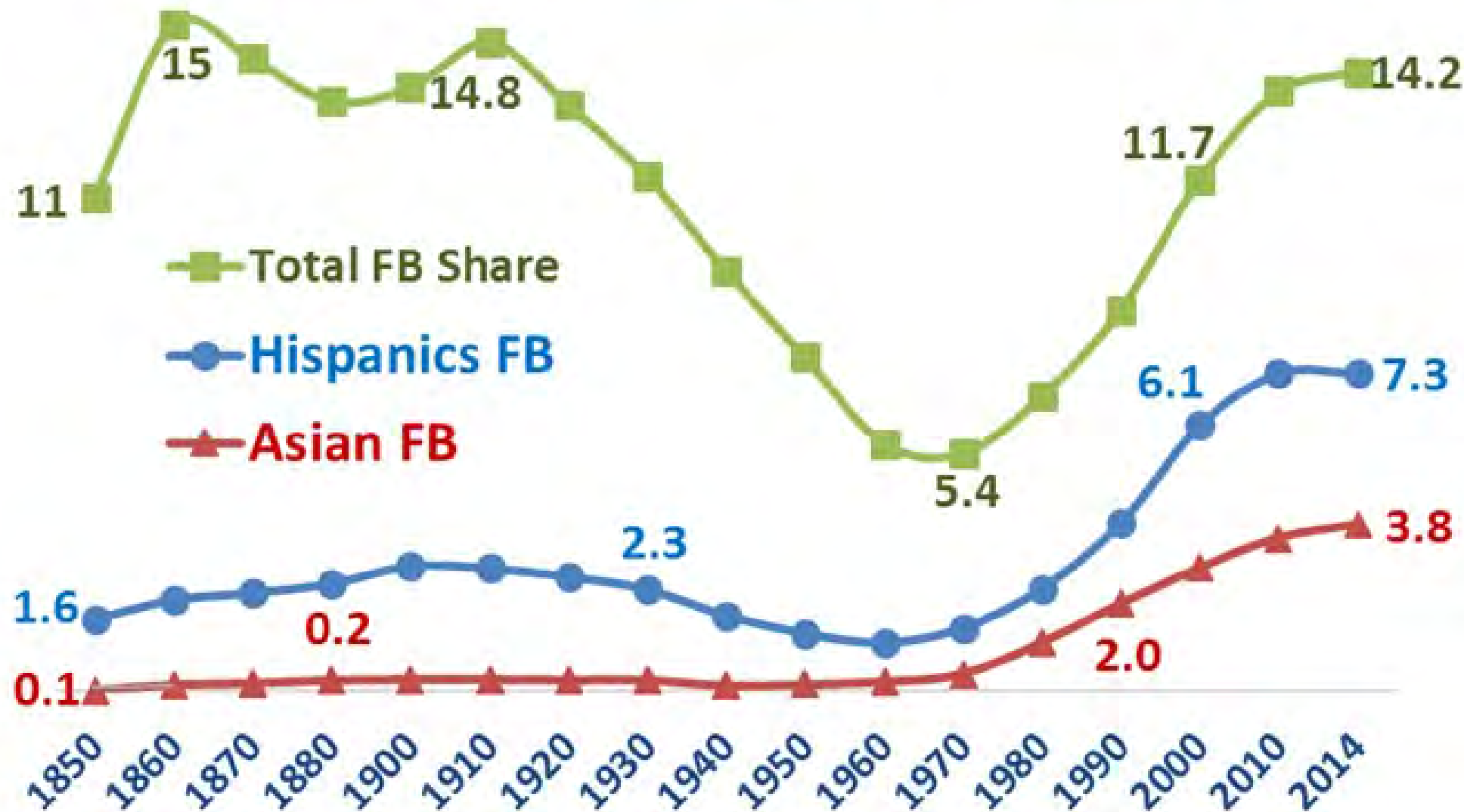
1965 Hart-Cellar Act family reunification...  
reshapes New York and Nation



Source: page 10 Table 2.2 New York Dept of City Planning (2013) *The Newest New Yorkers, 2013 Edition*, NYC DCP-13-10, December NY. [http://www.nyc.gov/html/dcp/pdf/census/nny2013/nny\\_2013.pdf](http://www.nyc.gov/html/dcp/pdf/census/nny2013/nny_2013.pdf)

The 1965  
Hart Cellar  
or Family  
reunification  
Act changed  
U.S  
Migration

Figure 3A: USA Share Foreign Born Share

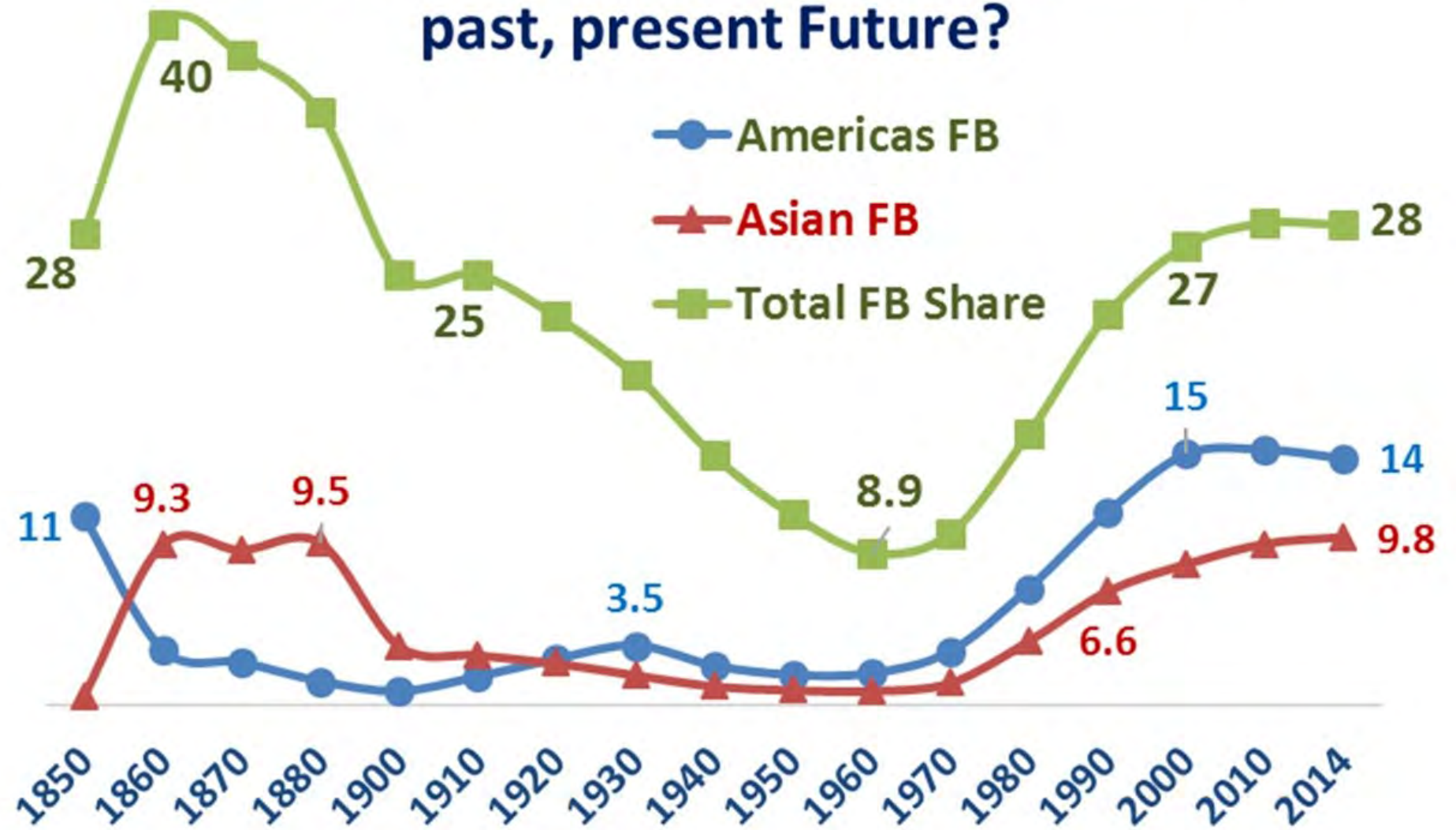


IPUMS-USA, University of Minnesota, [www.ipums.org](http://www.ipums.org)



Card & Peri  
are from  
California:  
immigrants  
double U.S.  
share

Figure 3: California Share Foreign Born:  
past, present Future?



IPUMS-USA, University of Minnesota, [www.ipums.org](http://www.ipums.org)

# Mass migration...

- 1) How do large migrations affect wages, employment & growth in receiving countries especially Germany and USA
- 2) ***Backlash in EU, Austria, USA...BREXIT?***
- 3) long vs. short term costs & benefits
- 4) Example: California since 1994 (Prop 187)
- 5) Vietnam: boat people refugee/human rights to migrate...

# Economics of Migration debate...

- 1) Harvard-Oxford George Borjas & Paul Collier vs. UCB-UCD David Card and Giovanni Peri
- 2) *Do immigrants reduce wages and employment of natives?*  
<http://www.newyorker.com/magazine/2016/10/31/untangling-the-immigration-debate>
- 3) Is mass immigration a threat to the welfare state, social trust & capital.

# Debate on Refugee Surges: Mariel boatlift a natural experiment

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Clemens, Michael A., and Jennifer Hunt (2017) [The Labor Market Effects of Refugee Waves: Reconciling Conflicting Results](#). NBER 23433 and [IZA Paper 10806](#), .

Borjas, George. "[The Wage Impact of the Marielitos: A Reappraisal](#)." HKS Faculty Research Working Paper Series RWP15-057, September 2015.

Card, David (1990) [The impact of the Mariel boatlift on](#) the Miami labor market, ILR Review, 1990, 43 (2), 245-57 (1600 citations...)

Card, David (2009) [Immigration and Inequality](#), American Economic Review, 2009, 99 (2), 121.

Peri, Giovanni, and Vasil Yassenov. "[The Labor Market Effects of a Refugee Wave: Synthetic Control Method meets the Mariel Boatlift](#)." (2016).

<https://www.hks.harvard.edu/fs/gborjas/publications/journal/JEL2015.pdf>





## The Mariel Boatlift: Immigration's Impact on Local Workers

6/16/2017 4:02PM

Almost 40 years after the Mariel Boatlift, top academics don't agree on how this influx of close to 250,000 Cuban immigrants affected Miami's work force. WSJ's Tanya Rivero and Ben Leubsdorf break down the findings of opposing academic camps. Photo: Associated Press



## The Mariel Boatlift: Immigration's Impact on Local Workers

6/16/2017 4:02PM

[Wall Street Journal Video on Mariel Boatlift](#)

## Episode 654: When The Boats Arrive

September 30, 2015 · 6:25 PM ET

The Mariel  
Boatlift: a  
natural  
experiment?  
(wonderful  
podcast from  
NPR)

<https://www.youtube.com/watch?v=r-Nw7HbaeWY>





# Refugee Surges Case Study: Mariel boatlift a natural experiment 1980 125,000

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# Refugee Surges Case Study: Mariel boatlift a natural experiment 1980 125,000

[DURING 1980 125,000 IMMIGRANTS \(WIKIPEDIA\)](#)

**Cuban arrivals during the  
Mariel episode by month<sup>[23]</sup>**

Month	Arrivals (#)	Arrivals (%)
April (from 21 April)	7,665	6
May	86,488	69
June	20,800	17
July	2,629	2
August	3,939	3
September	3,258	3
Total	124,779	100

**ALL CUBANS WERE AUTOMATICALLY  
REFUGEES UP UNTIL A FEW MONTHS AGO**





Borjas always presents a simple clear argument: supply & demand... though this is the labor market...see [Borjas JEL 2015](#)

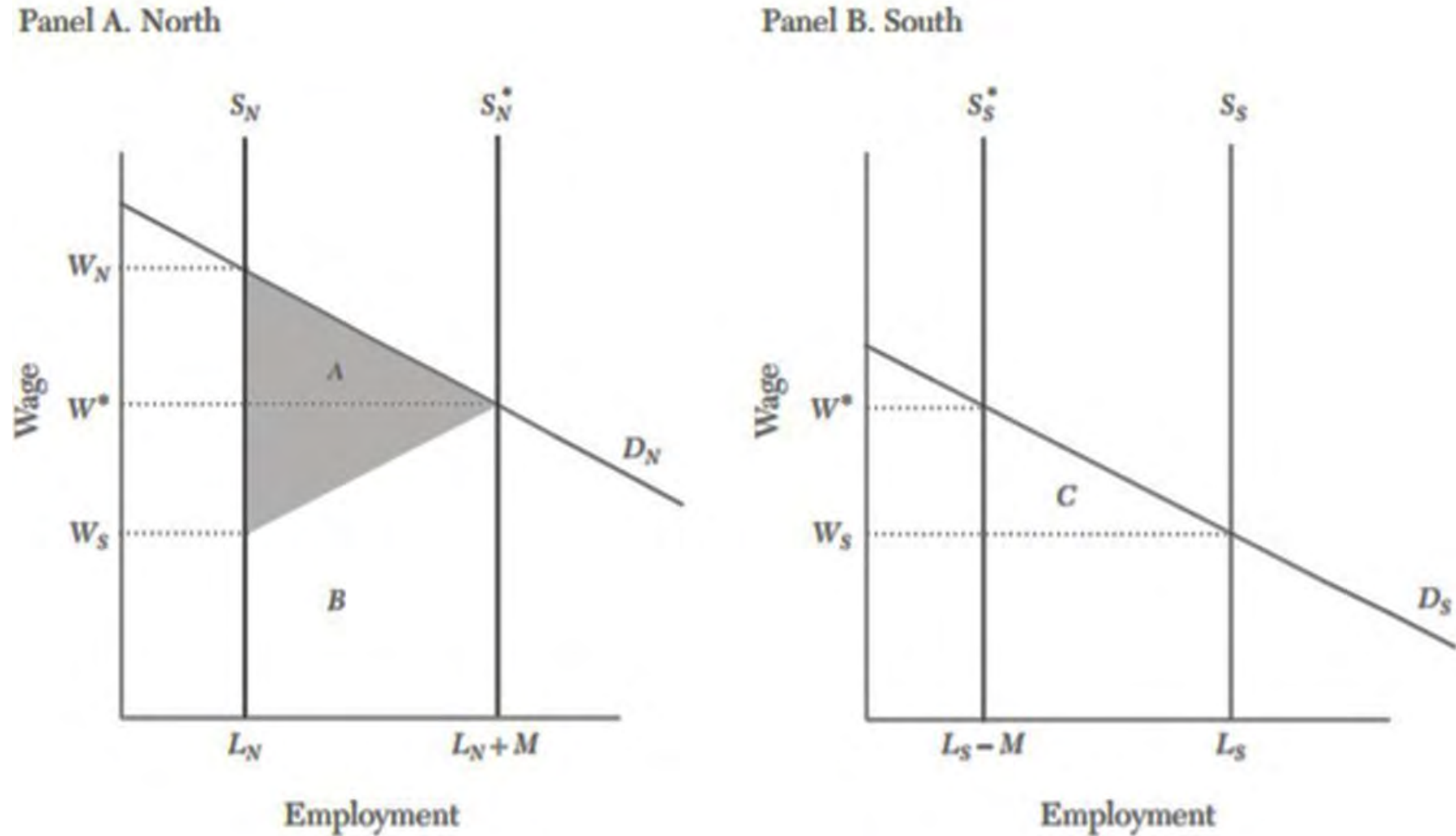


Figure 1. The Global Gains from Open Borders

# Enter David Card and Peri UCB/UCD

- 1) California absorbed huge increase in immigrants, many highly educated, 45% if PhDs foreign born.. Many unskilled (from Mexico)
- 2) *Proposition 187 denied education and medical services: Federal court struck down but backlash continues*
- 3) Fast growth fiscal surpluses, effective single party government (Republican Party not in running...)

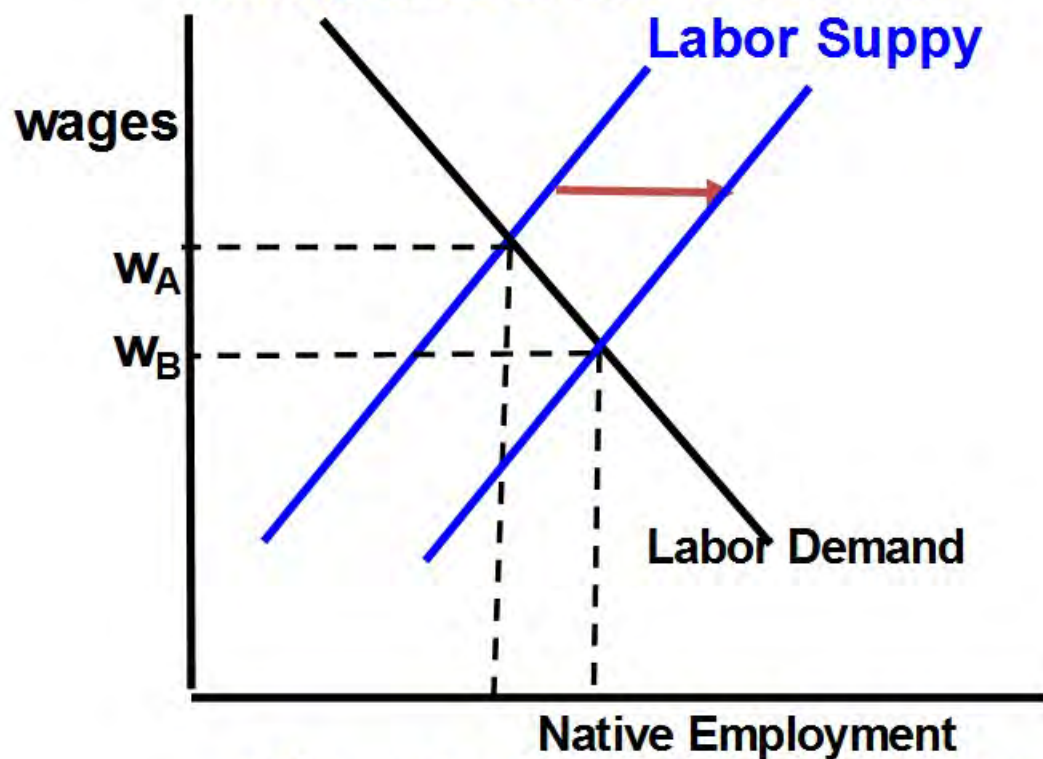
# GEORGE BORJAS ARGUMENT

# PERI AND DAVID CARD ARGUMENT

Immigrants are substitutes

**PANEL A**

Immigrants & Natives similar

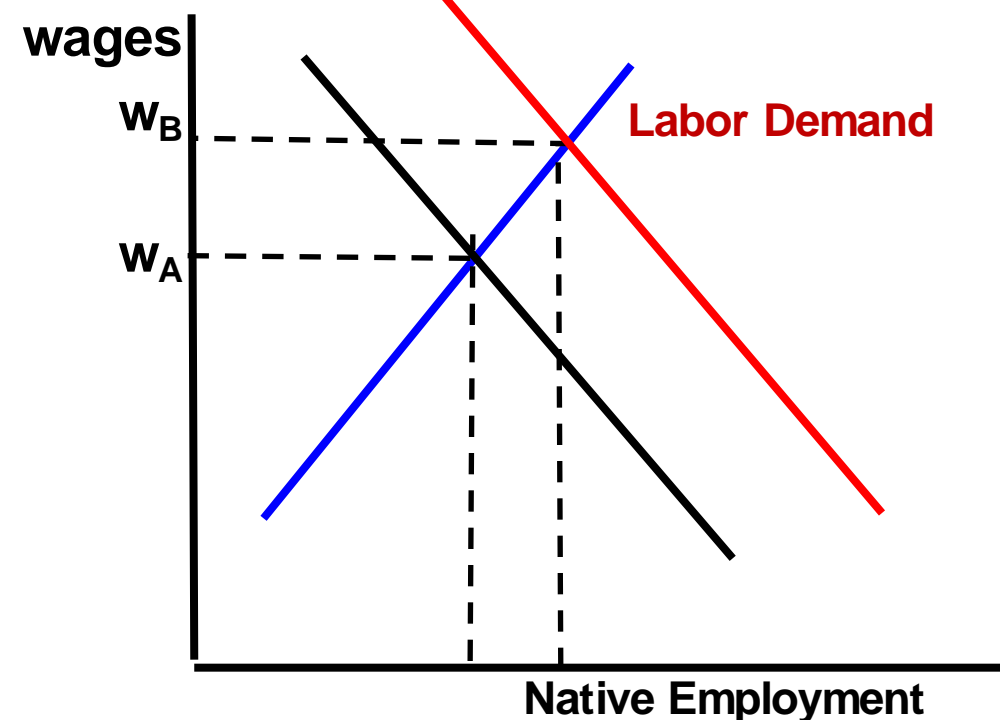


**Migrants drive down native wages**

Immigrants & Natives Different

**PANEL B**

Immigrants & Natives different



**Migrants raise native wages**

**Complementarity effect:  
Specialization by skill within  
firms raise wages &  
productivity**  
see Giovanni Peri, 2010,  
[FRSB Economic Letter](#)

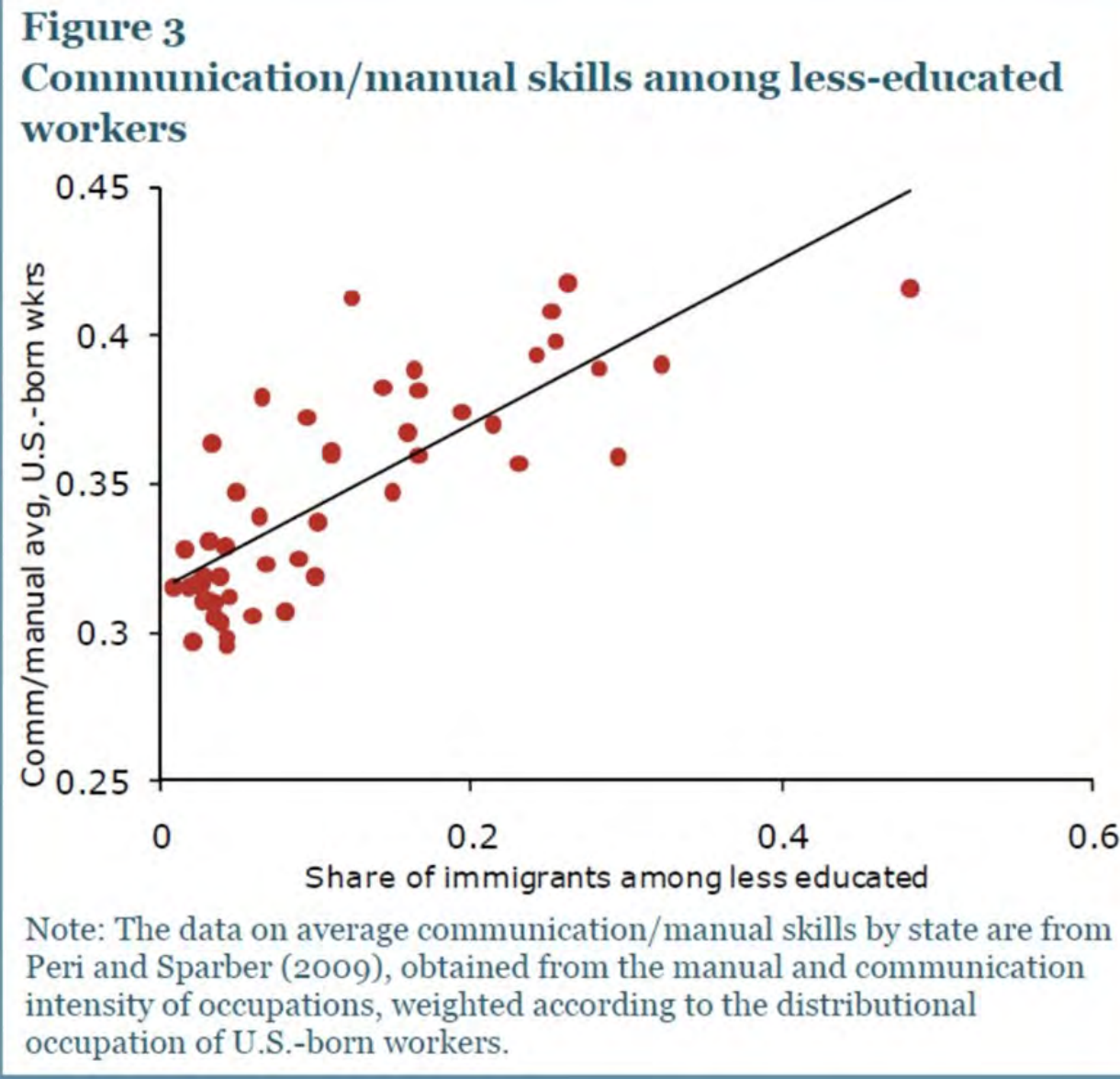
## FRBSF ECONOMIC LETTER

2010-26

August 30, 2010

### **The Effect of Immigrants on U.S. Employment and Productivity**

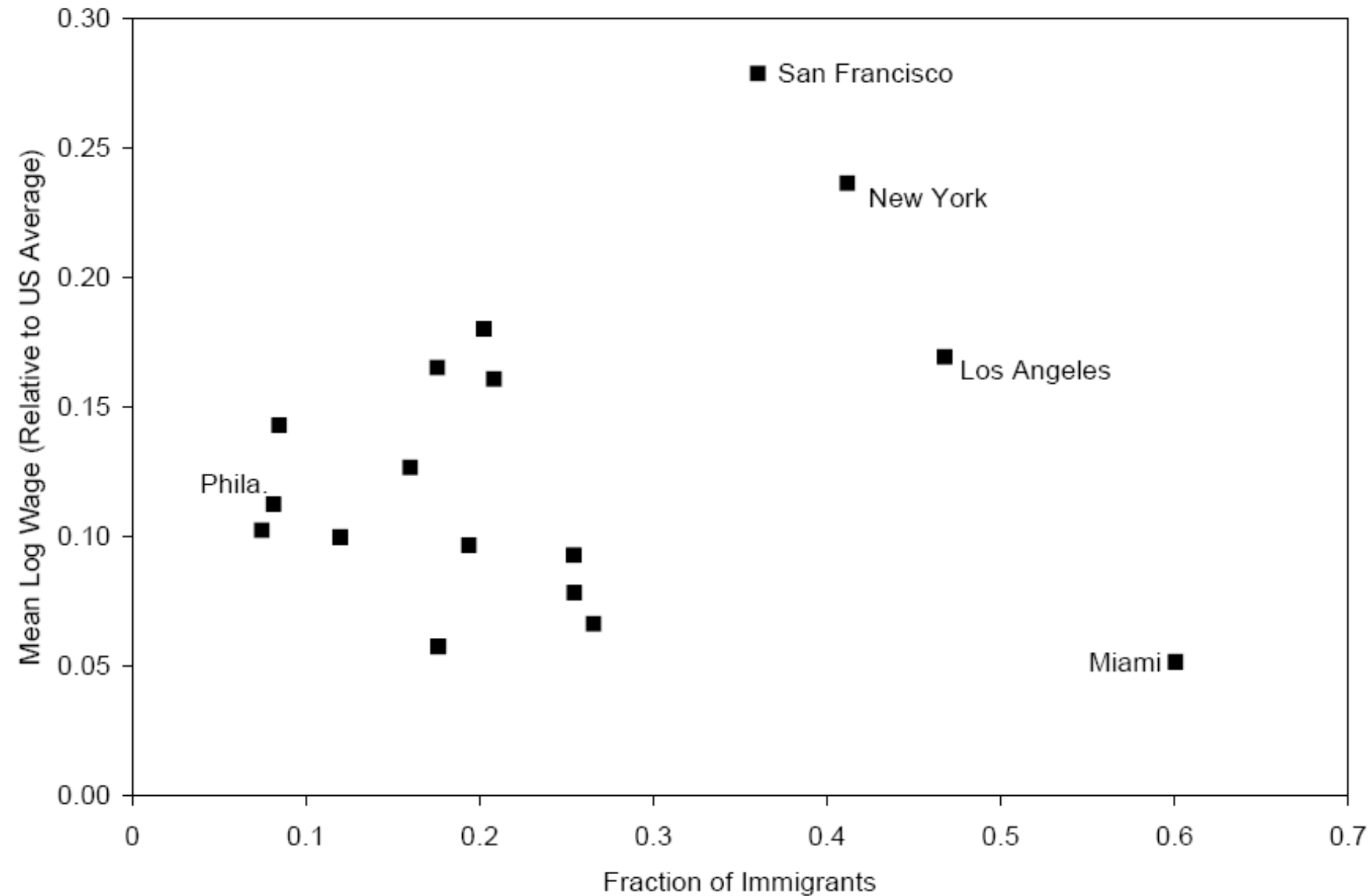
BY GIOVANNI PERI



ECON 3248 SPRING 2018 MIGRATION AND  
DEVELOPMENT



Figure 6: Immigrant Presence and Average Native Wages



**Complementarity effect:** skills of immigrants raise wages & productivity of Natives ([Card, 2007](#))

# Economics of Migration debate...

- 1) Harvard-Oxford George Borjas & Paul Collier vs. UCB-UCD David Card and Giovanni Peri
- 2) *Do immigrants reduce wages and employment of natives?*  
<http://www.newyorker.com/magazine/2016/10/31/untangling-the-immigration-debate>
- 3) Mass immigration a threat to the welfare state, social trust & capital.

# Part I: Remittances as disaster relief...

- 1) Haiti earthquake and floods Migration TPS (not H-2 visas) as “free” disaster aid*
- 2) El Salvador: Remittances & post-conflict recovery: UNDP BCPR 2008 (see Chapter 4)*
- 3) Return refugees? Somalia’s new President Mohamed A Mohamed: SUNY Buffalo graduate..*



## M.I.A. - BORDERS - M.I.A. (Official music video)



# Rising deportation (less from [Sanctuary states](#) like California) see [Qualitas prepare for deportation series](#)

## Money and Migration: Case 2 of 3



### Getting Ready: Migratory Processes and My Money

#### Case 2: During Immigration Proceeding



June 8, 2017

#### Features

A Seat at the Table for All: Sanctuary Restaurants in the Movement for Immigrant Rights

Resistance Is Not Enough: What Cities Can Do to Move the Needle on Racial Equity

### A Seat at the Table for All: Sanctuary Restaurants in the Movement for Immigrant Rights







Dan Kitwood—Getty Images

Migrants cross into Hungary as they walk over railroad tracks at the Serbian border with Hungary. Horgas, Serbia. Sept. 7, 2015. Since the beginning of 2015 the number of migrants using the so-called “Balkans route” has exploded with migrants arriving in Greece from Turkey and then travelling on through Macedonia and Serbia before entering... [MORE](#)

SHARE

29 of 102

FULL SCREEN

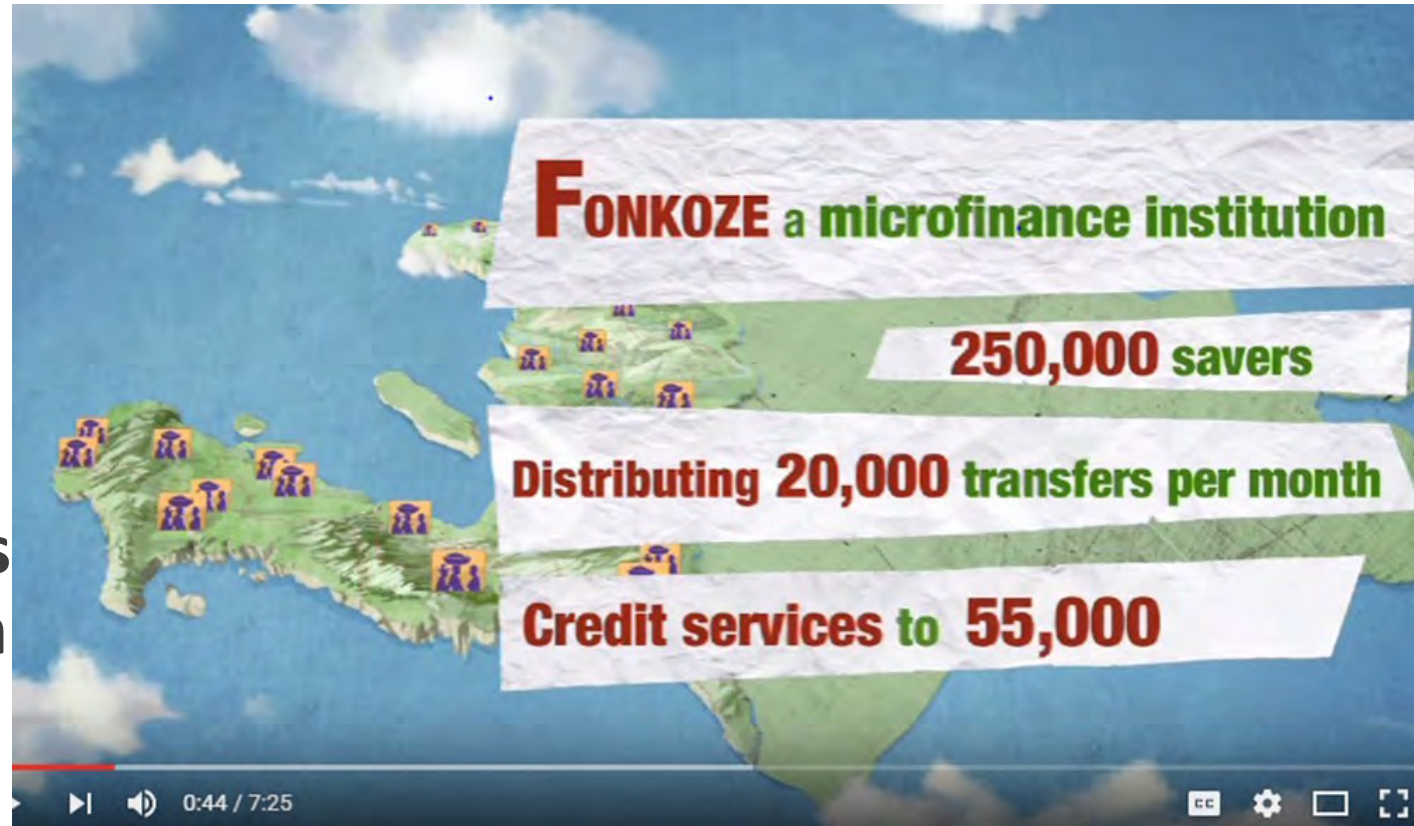




# Remittances via MFI/MTO as disaster relief ..

Within ten days following the January 2010 earthquake, the IDB Multilateral Investment Facility approved Haiti Emergency Spending Allocation Request (HESAR) Program investing nearly US\$3 million in the resumption of economic activity of 16 of the MIF's local partners, which enabled them disburse remittances and loans 338,000 clients and beneficiaries.

<https://www.youtube.com/watch?v=Rs-5YsRXfAQ>





# TPS & H-2 visas “costless” aid to Haitians?

- 1) *Michael Clemens et al at CGDEV proposed 2000 H-2 visas for Haiti (got them on list)*
- 2) Haitians Temporary Protected Status (work permits as with DACA or DAPA)
- 3) 8 of 10 Haitians who have escaped poverty did so via immigration or remittances
- 4) Other Haiti Aid program (\$6B) problematic



### BOX 3.4 USE AND EFFECTS OF REMITTANCES: SOME EMPIRICAL EVIDENCE

Several studies on the use and effects of remittances have been undertaken. Adams used a household data set from Guatemala to analyse how remittances affect the spending behaviour of households. His results show that recipients of remittances spent marginally more on education, health and housing than on items such as food. For instance,

### BOX 3.6 HAWALA MONEY TRANSFERS<sup>246</sup>

In the absence of formal money transfer systems provided by commercial banks or enterprises—or simply because formal systems are unwieldy or expensive—remittances are often transmitted through informal money transfer systems, including the famous hawala system in countries like Somalia. This is a trust-based money transfer system that moves as much as US\$1 billion into Somalia every year. The remitter gives a hawala agent in London, for example, the sum in cash, paying a commission of perhaps five percent. The agent deposits the cash in a local bank account to be transferred to the hawala company bank account in Djibouti or Dubai. The agent then alerts the clearing house in a regional Somali capital (or, most often, Mogadishu). The clearing house, in turn, passes the details (probably by cell-phone) on to whichever agent is geographically closest to the intended recipient. Usually the recipient will already have been contacted directly by the remitter to let them know the money is coming, and will then contact the agent. The agent cannot rely on official identity papers in Somalia, so will quiz the recipient about clan lineage and other questions provided by the

## See chapt 3&4: [UNDP BCPR, 2008](#)



Macroeconomic Policy  
Considerations in  
Post-Conflict Recovery

Billboard advertising an international money transfer company,  
Mogadishu, Somalia, October 2004  
(Sven Tarfimo/Panos Pictures)



# Remittances to Somalia (from?)



## KEEPING THE LIFELINE OPEN

REMITTANCES AND MARKETS IN SOMALIA

BY MANUEL OROZCO AND JULIA YANSURA

TABLE 2. CHARACTERISTICS OF SOMALI  
REMITTANCE RECIPIENTS

ORIGIN OF REMITTANCE (COUNTRY)	MIGRANT SENDERS	ANNUAL AMOUNT SENT (PER MIGRANT)	ANNUAL AMOUNT
USA	56,286	3,800	213,888,595
UK	48,616	3,342	162,458,204
Germany	23,989	4,383	105,137,834
Netherlands	23,881	3,513	83,903,243
Sweden	16,282	3,746	60,993,661
Canada	22,403	2,185	48,957,230
Denmark	12,824	3,569	45,768,062
Saudi Arabia	22,975	1,455	33,434,301
Norway	11,694	1,657	19,376,297
Italy	8,220	1,196	9,834,107
Australia	4,082	2,284	9,325,770
New Zealand	1,955	3,538	6,917,293
France	1,551	1,663	2,579,236
UAE	1,714	1,357	2,325,771
Spain	152	1,899	288,741
Other Countries <sup>a</sup>	351,297	1,400	491,815,842
Total Received	607,922		1,297,004,185

Sources: GMOD, 2007, for the number of migrant senders per country, and IFAD, *Sending Money Home to Africa*, 2009, for the amount sent per migrant. Note: The number of migrant senders is based on an estimate that 80 percent of migrants send money.<sup>28</sup>



# Remittances may not stop Migration: instead they encourage great risk

WSJ



ALLURE OF WEALTH DRIVES DEADLY TREK

*Young Men in Senegal Join Migrant Wave Despite Growing Prosperity at Home*



A migrant's typical path on the more than 3,300-mile journey from West Africa



SOURCE: INTERVIEWS WITH MIGRANTS' FAMILIES

Remittances tempt others to Migrate at great risk : Ibrahima Ba is believed to have drowned April with 700 immigrants between Italy and Libya, his mother said “he wanted to have his own means” WSJ, 2015



## *Pope Francis on Climate Refugees:*

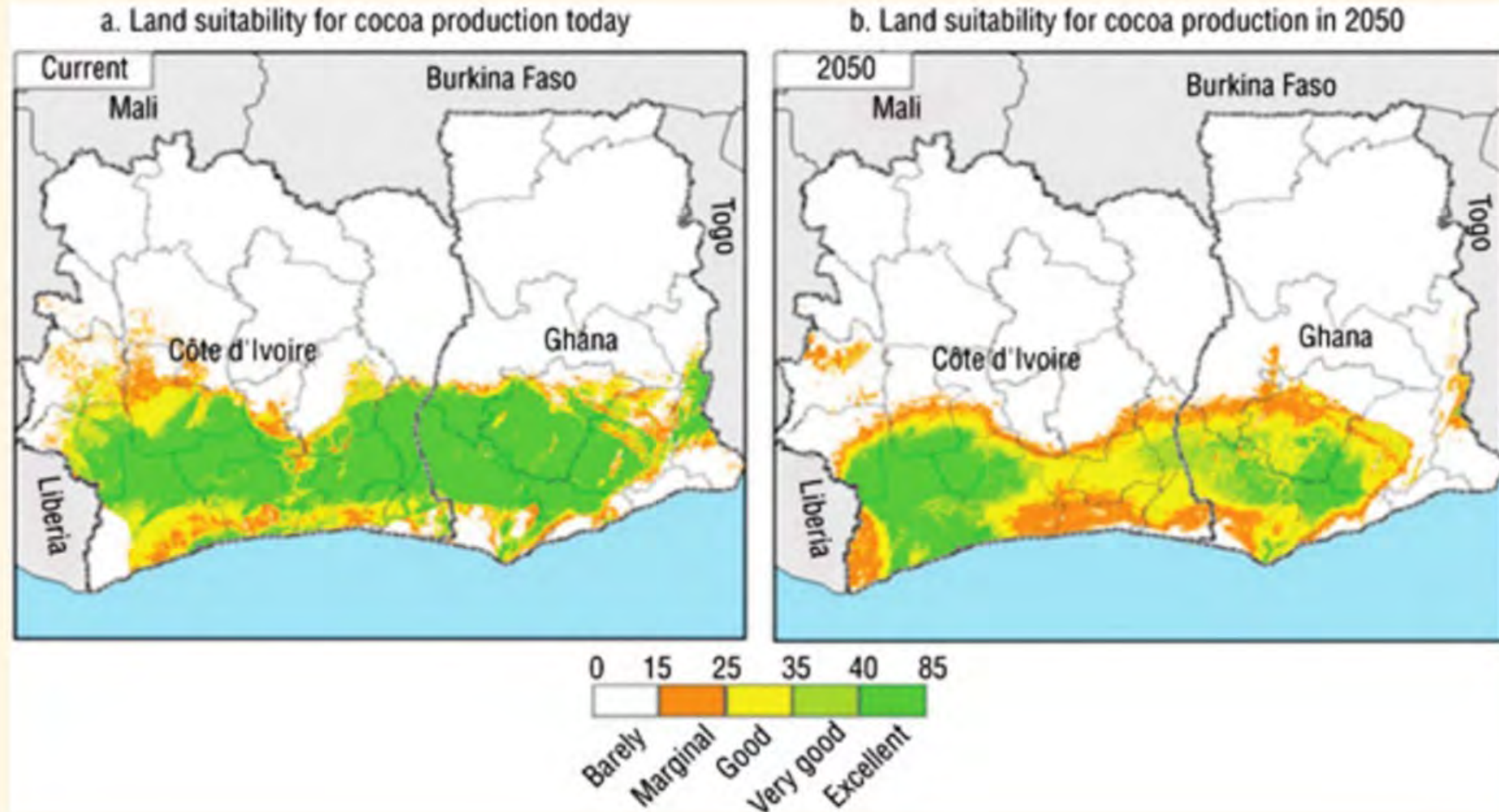
*“There has been a tragic rise in the number of migrants seeking to flee from the growing poverty caused by environmental degradation. They are not recognized by international conventions as refugees; they bear the loss of the lives they have left behind, without enjoying any legal protection whatsoever”*

POPE FRANCIS, 2015  
ENCYCLICAL LETTER  
LAUDATO SI' OF THE  
HOLY FATHER  
FRANCIS—ON CARE  
FOR OUR COMMON  
FUTURE (2015).

[HTTP://W2.VATICAN.V  
A/CONTENT/FRANCES  
CO/EN/ENCYCLICALS/  
DOCUMENTS/PAPA-  
FRANCESCO\\_2015052  
4\\_ENCICLICA-  
LAUDATO-SI.HTML](http://w2.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20150524_enciclica-laudato-si.html)

# Climate change affects SSA near the equator

**MAP B2.1.1** Ghana and Côte d'Ivoire could experience a loss of area suitable for cocoa production by 2050





# Part 2: longer term immigration..

- 1) Impact on native wages & employment, receiving countries especially USA
- 2) ***Backlash in EU, Austria, USA, BREXIT?***
- 3) long vs. short term costs & benefits
- 4) Policies; California model
- 5) Refugee/human rights to migrate...



# Long term Refugee settlement..

- 1) Immigration a costly investment for families, aid agencies and countries (they should be able to spend the returns on that investment)
- 2) Skilled vs. unskilled immigrants...
- 3) Fiscal impacts: see California model
- 4) Right to migrate?

Collier, 2013 uses Putnam's bowling alone argument... That is the widely held view that immigration and diversity undermines the social contract... see Krugman and Delong on lower U.S. savings...

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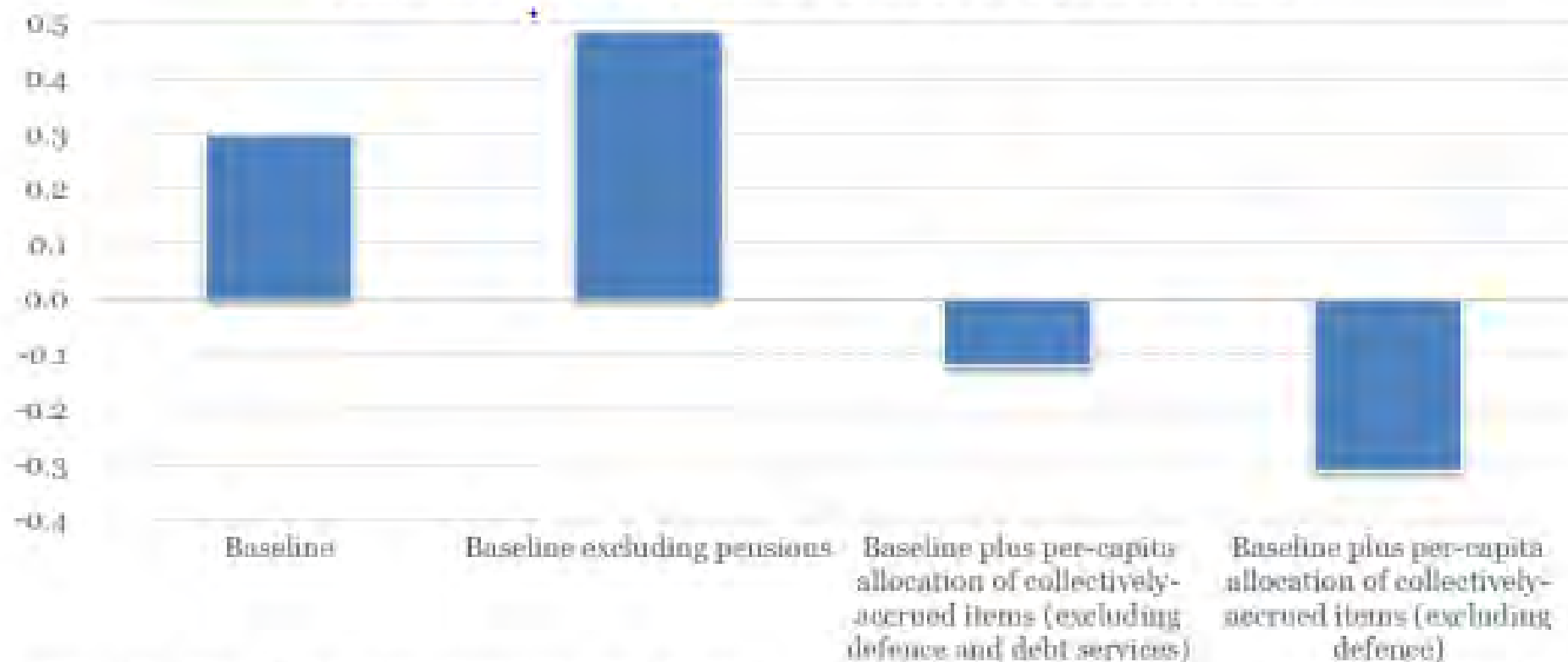
**But replication by [Abascal & Baldassarri, 2015\\*](#)** using Putnam's original data finds Putnam's (2007) findings reflect inequality not ethnic diversity as Collier, 2013 claims...

Putnam, Robert D. (2007) "E pluribus unum: Diversity and community in the twenty-first century the 2006 Johan Skytte Prize Lecture." *Scandinavian political studies* 30, no. 2 (2007): 137-174. GS: cited 3003 times...

Love Thy Neighbor? Ethno-racial Diversity and Trust Reexamined  
Author(s): Maria Abascal and Delia Baldassarri Source: American Journal of Sociology, Vol. 121, No. 3 (November 2015), pp. 722-782 Published by: The University of Chicago Press Stable URL: <http://www.jstor.org/stable/10.1086/683144>.

# OECD, 2014 Fiscal impacts positive:

**Estimated net fiscal impact of immigrants, with and without the pension system and per-capita allocation of collectively accrued revenue and expenditure items**



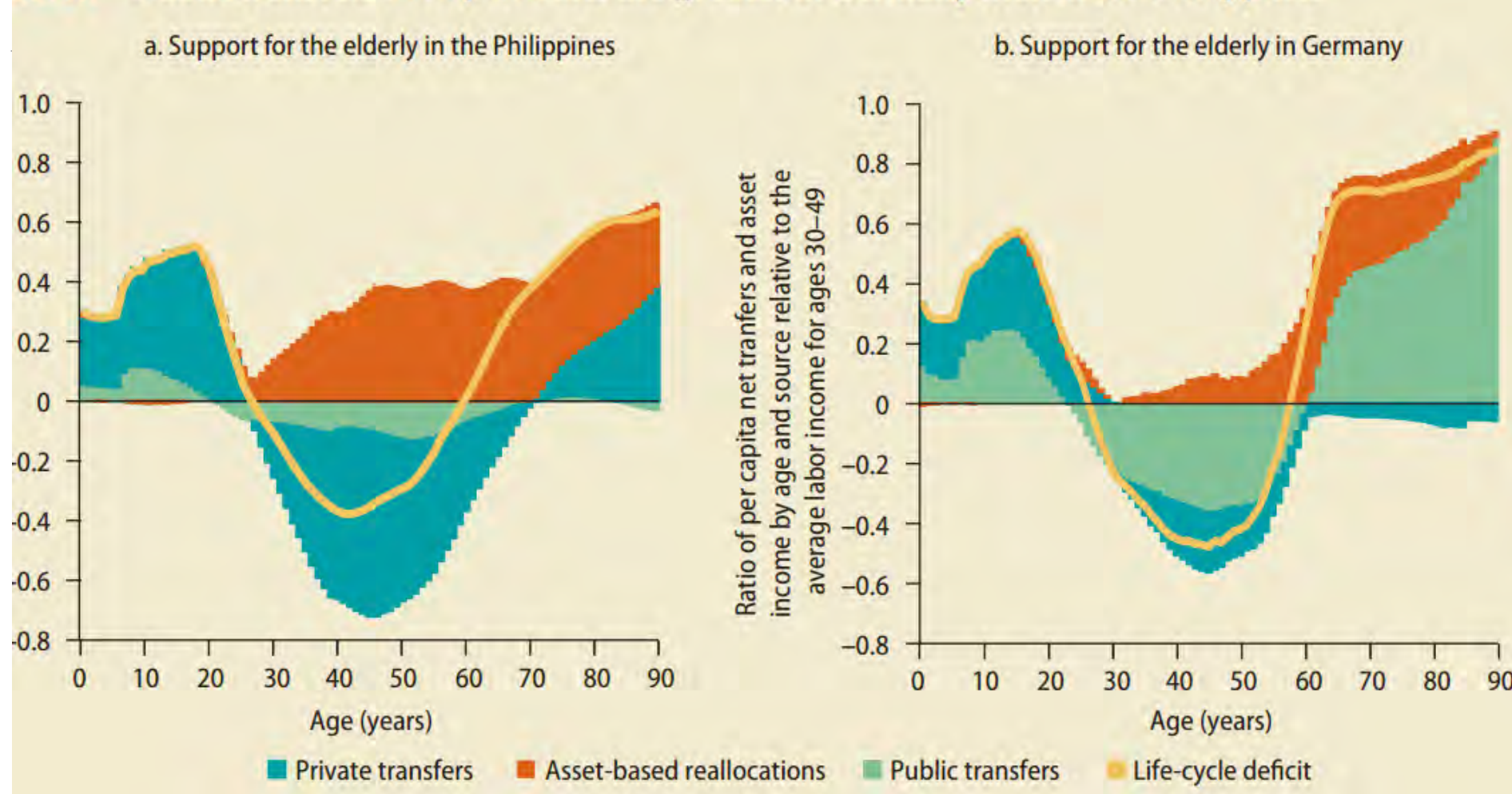
**Note :** The "baseline" calculations include estimates for indirect taxes as well as expenditure on education, health and active labour market policy.

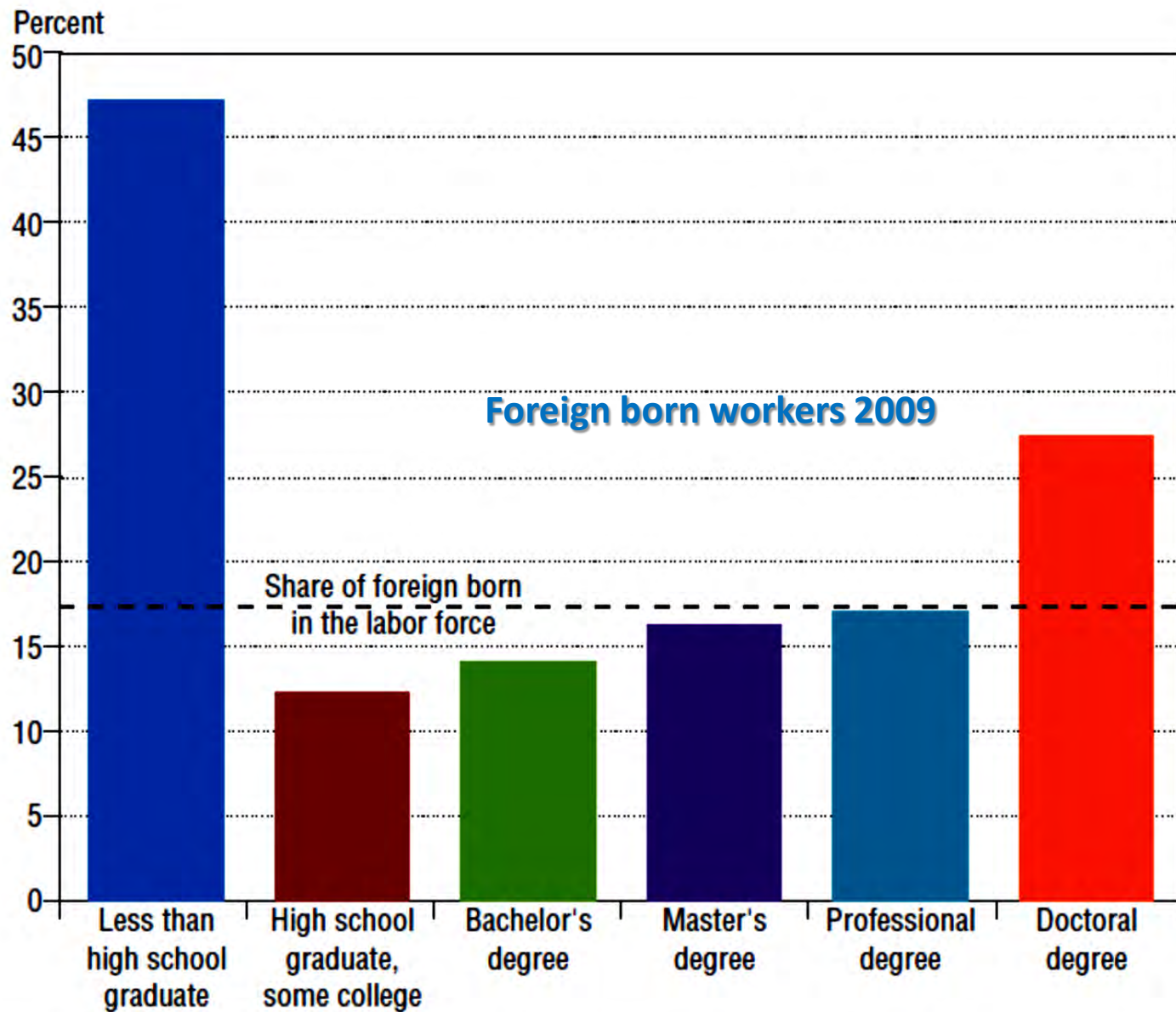
**Source:** Liebig and Mo (2013).



# Critical demographic bonus for Germany & Japan?

## B5.4.1 Public transfers to dependents are greater in Germany than in the Philippines





**Complementarity effect:**  
*skills/degree mismatch of foreign born  
vs. native workers*

**Foreign born workers  
overrepresented at the  
extremes, less than HS  
Education or higher  
(PhD degrees)**

NOTE: Percentage of foreign workers age 25 and over in the U.S. labor force by education.

SOURCE: 2009 American Community Survey.

# Critical demographic bonus for Germany & Japan?

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World Bank-IMF (2016) “Without migration, the working age population of the 28 EU countries is expected to decline by more than 11 million by 2020 (80 million by 2050). Under this scenario, the working-age population in Germany, Italy, and Poland will shrink by more than 1.5 million by 2020.”



# Robert Putnam in 2015 in the fact of Texas Supreme court decision disowns his “bowling alone” as being short term thinking, in the long run diversity is an advantage

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Putnam's Amicus brief

*"The evidence that Dr. Putnam reviewed in his essay demonstrated that increased diversity in the United States and other advanced nations is inevitable and that, while this fact may present challenges in the short to medium term, increased diversity can benefit society in the medium to long term by including a broader range of groups within what it means to be, for example, an American. First, "[i]ncreased immigration and diversity are not only inevitable, but over the long run they are also desirable. Ethnic diversity is, on balance, an important social asset, as the history of [the United States] demonstrates." Id. at 138. Second, "[i]n the short to medium run, however, immigration and ethnic diversity challenge social solidarity and inhibit social capital." Id. Third, "[i]n the medium to long run, on the other hand, successful immigrant societies create new forms of social solidarity and dampen the negative effects of diversity by constructing new, more encompassing identities." Id. at 138-39. Accordingly, "the central challenge for modern, diversifying societies is to create a new, broader sense of 'we.' p. 5 Putnam also cites Scott E. Page, The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools and Societies (2007). <http://nyti.ms/1XFQdh3>*

# Coming to NYC generates large gains for migrants from Puebla/Guerrero direct and via remittances

Table 2.4: Comparisons of current consumption spending by remittance and no-remittance receiving households in Guerrero, Oaxaca and Puebla Municipios classified by CONAPO Marginalization Index

(2008 ENIGH household expenditure survey)								
	current pesos			Dollars (11.2/dollar)		In U.S. prices \$ppp		Annual Remittance
	w/o Remit	w/ remit	diff	w/o Remit	w/ remit	w/o Remitt	w/ remitt	
Low-Med Pov	28606	32888	15%	2554	2936	3269	3759	1340
High Poverty	19604	21955	12%	1750	1960	2241	2509	2792
Very High	13940	15891	14%	1245	1419	1593	1816	1144

	Spending on Education			Spending on health and education			
	w/o Remit	w/ remit	Diff	w/o Remit	w/ remit	Diff.	As a % of Remittance
Low-Med Pov	626	654	-4.3%	947	595	-37%	44%
High Poverty	299	479	60%	486	649	34%	23%
Very High	100	134	34%	247	204	-17%	18%

Source: INEGI 2008 National Household Income and Expenditure Survey (ENIGH). In order to control for factors that may vary across municipalities (villages) these comparisons only include the 57 Municipios and 234 households that receive more than \$10 a month in remittances as shown in Table 2.3.

## Large income gains from U.S. to Mexico migration

**Table 1: Gain in annual income from migrating from Mexico to the US**

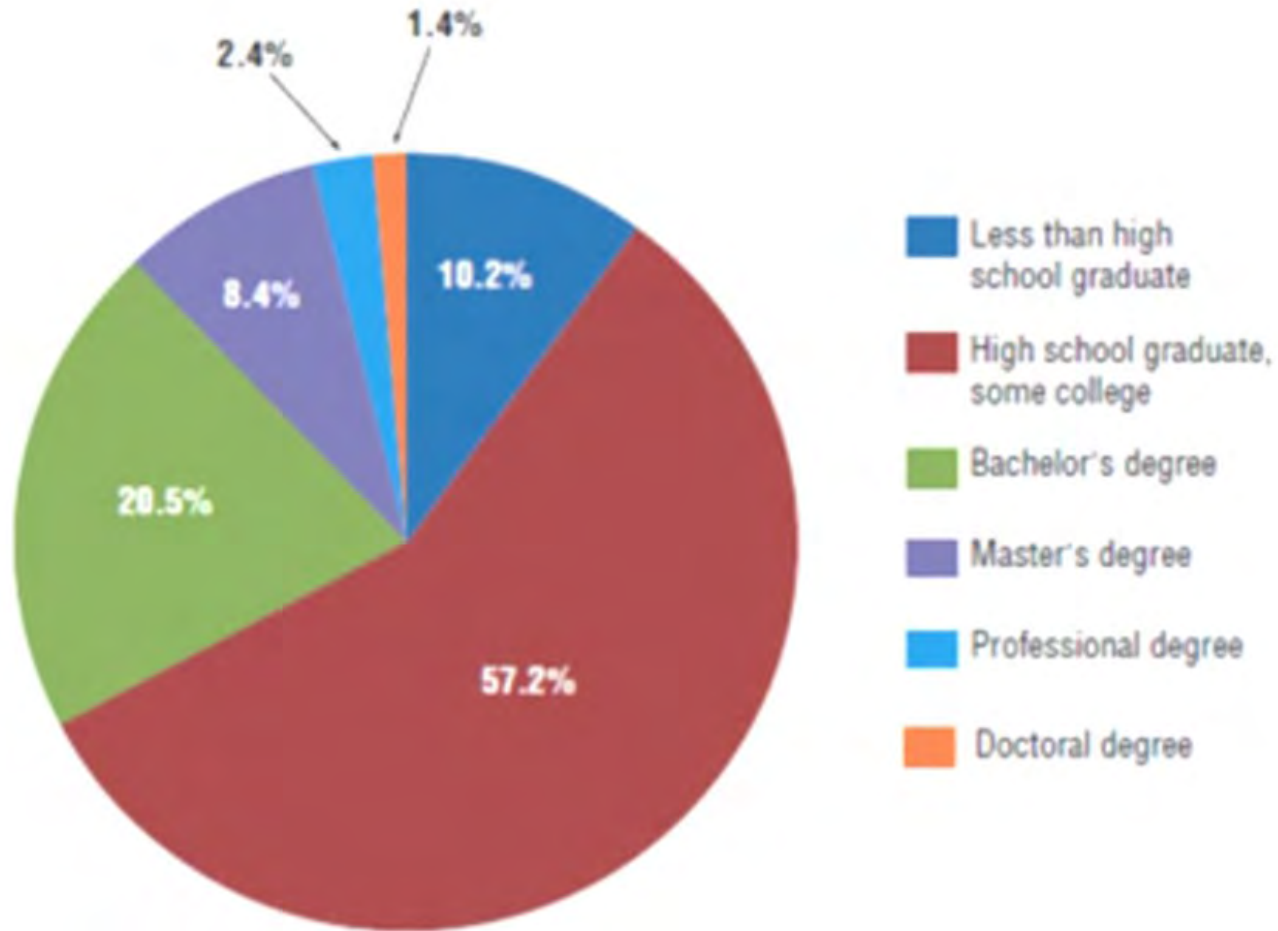
Income measure	Source	Value
US-Mexico difference in per capita GDP	World Development Indicators	\$24,800
US-Mexico difference in average annual earnings of 28 to 32 year old males with 9-11 years of education	Hanson (2006)	\$10,600
Estimated gain in annual earnings from US migration for a 35 year-old urban Mexican male with 9-12 years of education	Clemons, Montenegro, and Pritchett (2008)	\$9,200
Average gain in income for a legal immigrant from Mexico with 9-12 years of education	Rosenzweig (2007)	\$15,900

Source: Hanson, G. 2009 [International Migration and Human Rights](#)

All figures are in 2000 US dollars and adjusted for PPP. Source: Hanson (2009).



## Most Workers Have High School but Not College Degree (Labor force by education)



NOTE: Percentage of foreign and native workers age 25 and over in the U.S. labor force by education.

SOURCE: 2009 American Community Survey.

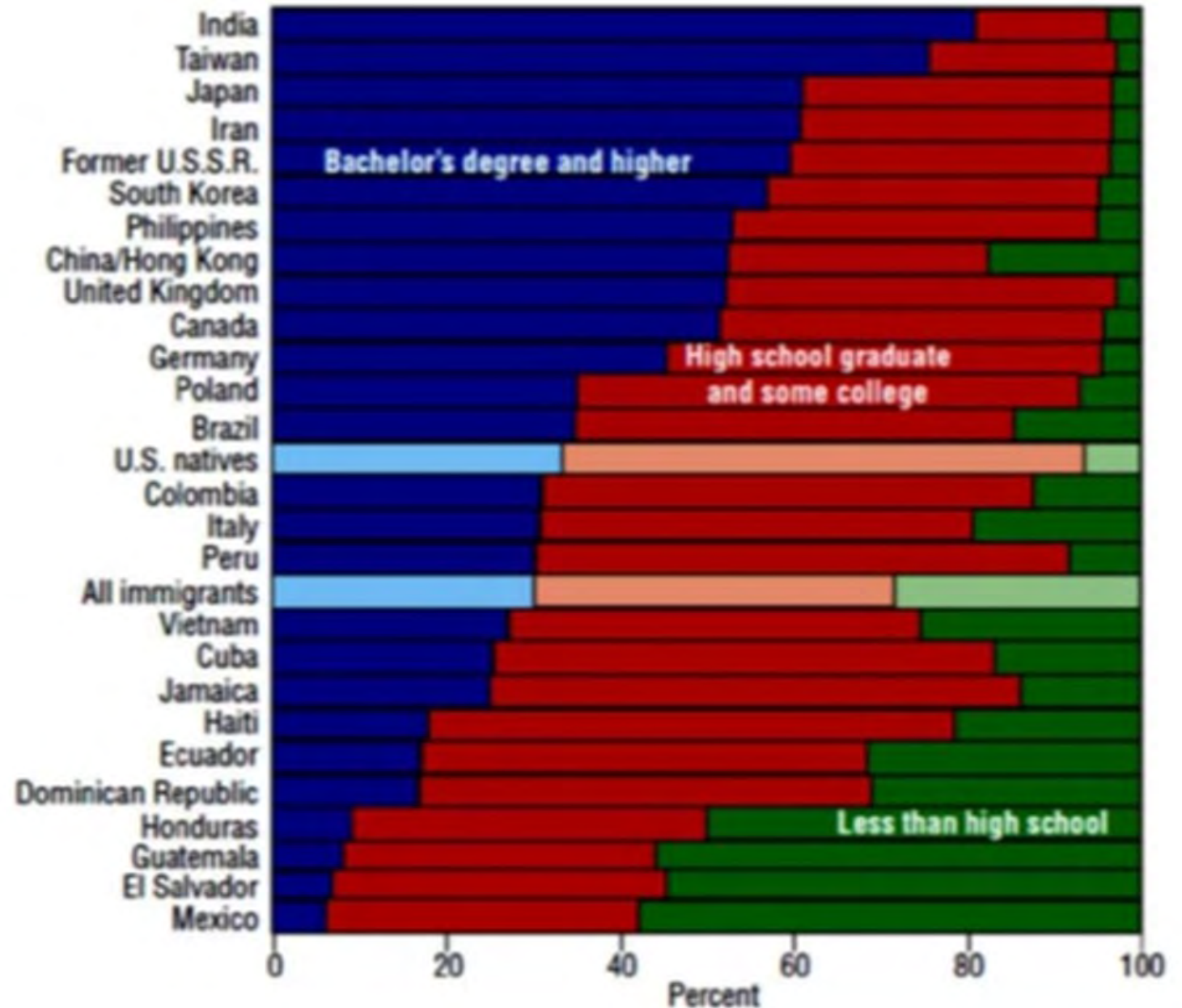
## Most Native workers had HS degree some college (13.4 years)

**Complementarity effect:**  
*skills/degree mismatch of foreign born vs. native workers see "From Brawn to Brains: How Immigration Works for America, 2010 Annual Report, [Federal Reserve bank of Dallas...](#)*

Chart 5

Highest-Educated Immigrants Are From Asia  
Former U.S.S.R.

Complementarity  
among natives &  
immigrants:  
skills/degree mismatch  
of foreign born vs.  
native workers: FB  
either very educated c  
not educated at all



# Waters et al 2015 find new immigrant cohorts integrate the same as old... Borjas & Collier wrong

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“outcomes of **educational attainment**, income, occupational distribution, **living above the poverty line**, **residential integration**, and language ability, immigrants” ... “become more similar to the native-born and improve their situation over time.” as did cohorts before them...)

see page 3 “Panel on the Integration of immigrants into American Society, National Academies Press... Mary Waters and Marisa Gerstein Pineau, eds. <http://www.nap.edu/21746>)



# UCLA-NAID Forham CIPS migration survey shows large income gains for migrants from Mexico in New York City:

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- ❑ **Migration raises income from \$1600 per year to about \$12,000** that is from \$130/month to about \$1000/month for each breadwinner with less than 9 years of education from poorest Municipios in Puebla and Guerrero raises...1/
- ❑ **Remittances sent to Mexico** raise incomes for those left behind from \$130/month to \$230/month in “high poverty and severe Municipios” (data from ENIGH)
- ❑ **Going to college pays in New York City** (compared to LA and Durham, NC) earnings for Mexican immigrants in U.S. for less than 10 years go from \$26,000 to \$36,000/year about 50% higher than in LA or Durham, NC.

1/ We asked everyone of the over 100 immigrants we interviewed where they were from (what Municipio in Mexico). All but two were from rural areas of Puebla and Guerrero, the estimate of \$130 a month is for the poorest Municipios (based on Mexico's national household expenditure survey). The \$12,000 earnings are for immigrants living in New York from Mexico for less than ten years, as computed using the combined 2005-2009 ACS for NYC, this is also roughly equal to expenditures per employed worker in the households in our survey.



# Integration equality and continuity does not rule out bad outcomes....

“Still, the well-being of immigrants and their descendants is ***highly dependent on immigrant starting points and on the segment of American society—the racial and ethnic groups,*** the legal status, the social class, and the geographic area—into which they integrate.” Waters, et al. 2015

# Immigrant surges as a research strategy: exogenous immigration shocks..

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- 1) Cubans similar to other Hispanic & Caribbean groups arriving in U.S. (Mariel boatlift?)
- 2) IRCA and the 1965 Hart Cellar Act: amnesty and family reunification
- 3) Sanctuary cities/states “the Calif Package”: 3 dream acts, DL-ID SS#, e-verify



# State of California replicates “citizenship” are working New York does not now...

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- ❑ No E-Verify, driver's licenses, medical care
- ❑ Three Dream Act tuition and scholarships
- ❑ Santa Clara University targets undocumented in HS
- ❑ Many scholarship funds and industry based groups supporting Jeff Bezos
- ❑ Pete Wilson's warning...

# Different legal Pathways used by newly admitted NYC immigrants ([see Chapt 6 of \*Newest New Yorkers\*](#))

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- ❑ Dominicans & Guyanese use 1990 family preferences
- ❑ Chinese, Ukrainians (& Cubans) get refugee status
- ❑ Mexicans use employment preferences
- ❑ Colombians 70% immediate relatives
- ❑ DACA/DAPA provide TPS (until 2018...)
- ❑ See NYC Planning, [Newest New Yorkers](#), Chapt 5 & 6

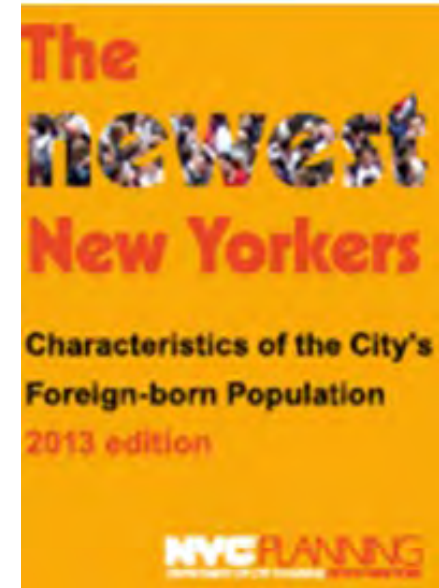
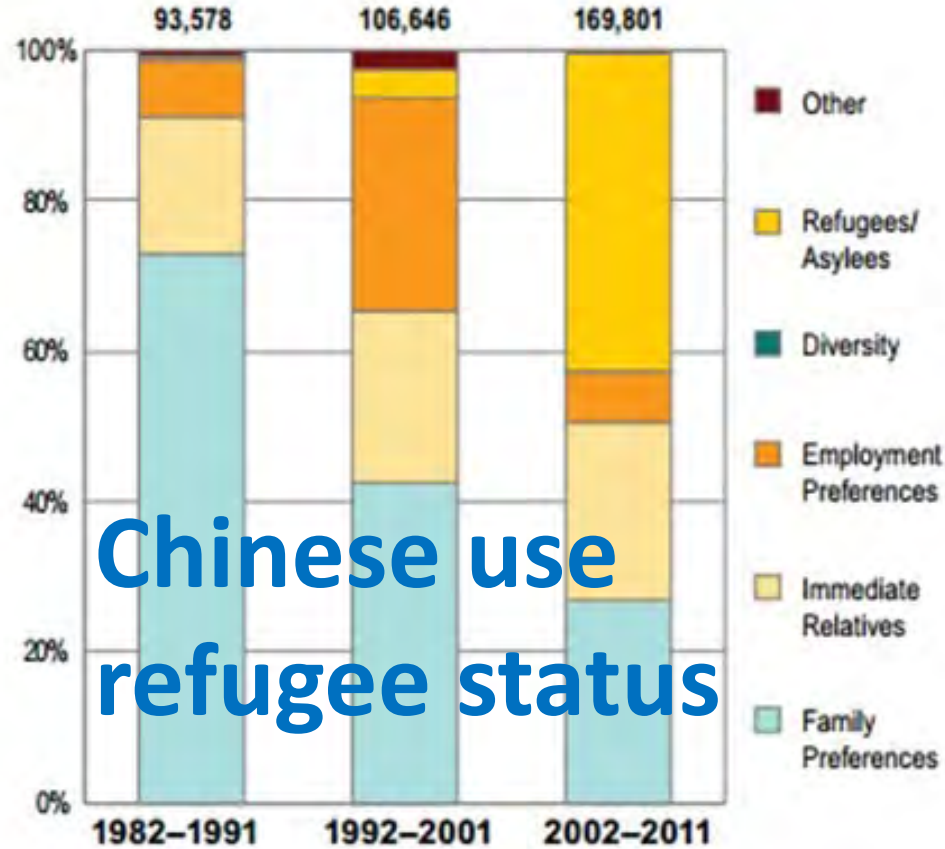


Figure 6-6

Immigrants Admitted from China by Class of Admission  
New York City, 1982–1991, 1992–2001, and 2002–2011



Chinese use  
refugee status

Sources:  
U.S. Department of Homeland Security Office of Immigration Statistics;  
1982–2001 Annual Year Immigrant Tape Files,  
2002–2011 Yearbook of Immigration Statistics, and  
Special Tabulations for New York City, Fiscal Years 2002–2011  
Population Division-New York City Department of City Planning

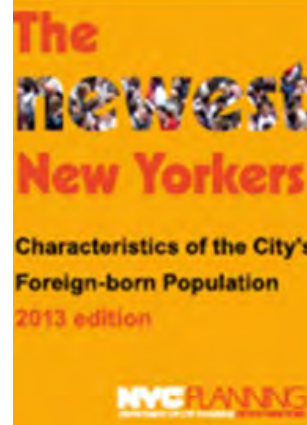
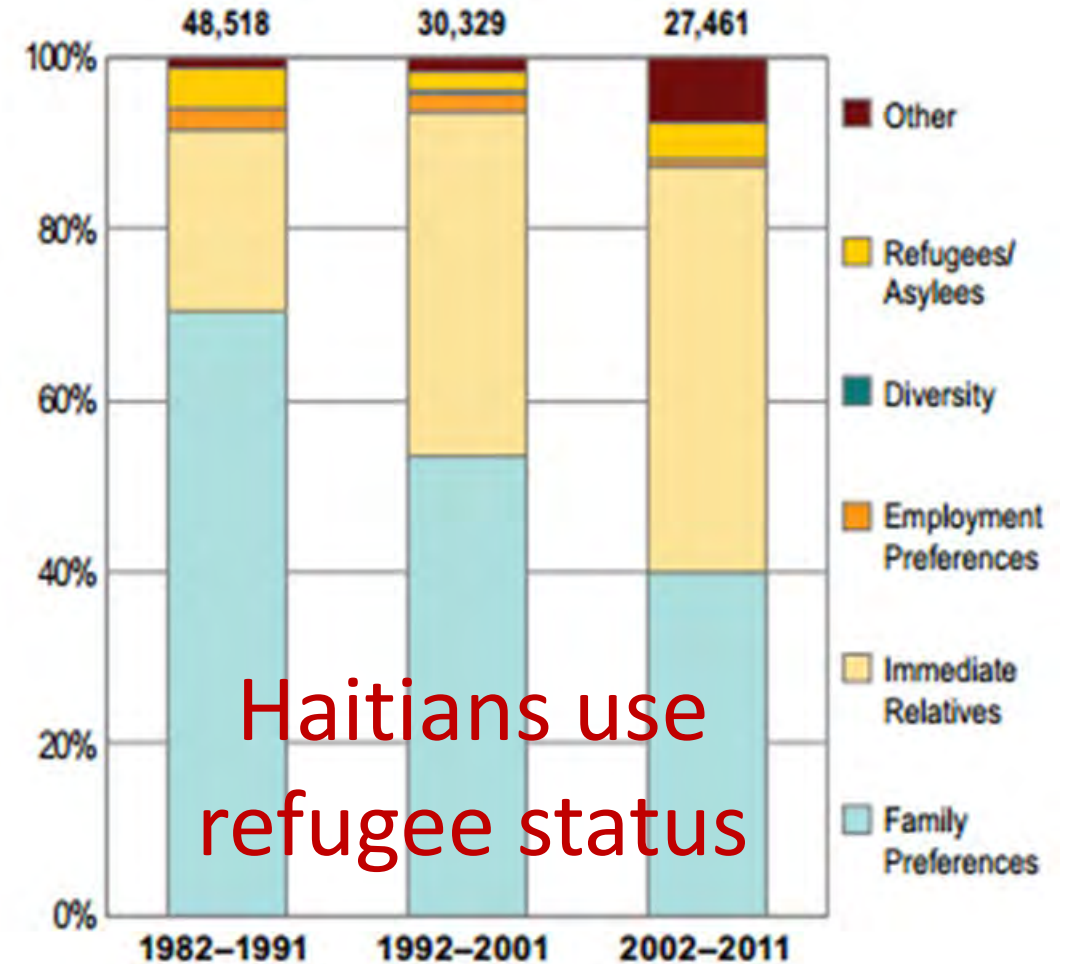


Figure 6-15

Immigrants Admitted from Haiti by Class of Admission  
New York City, 1982–1991, 1992–2001, and 2002–2011



Haitians use  
refugee status

Sources:  
U.S. Department of Homeland Security Office of Immigration Statistics;  
1982–2001 Annual Year Immigrant Tape Files,  
2002–2011 Yearbook of Immigration Statistics, and  
Special Tabulations for New York City, Fiscal Years 2002–2011  
Population Division-New York City Department of City Planning



# Controversies new Directions... the case for new limits on immigration

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- ❑ Borjas and Collier: immigration “too costly”
- ❑ Diaporas can become “too large”
- ❑ Large diasporas undermine trust and social capital
- ❑ Example: Mexicans in California during the 1990s: their diaspora dispersed through U.S. push and pull see Tienda and Fuentes, 2014.

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Chain block and remittances: <https://livestream.com/accounts/14230140/events/7409050/videos/156551219>

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*Immigration Economics: A Review*

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April, 2016

Abstract

We review *Immigration Economics* (IE) by George J. Borjas, published in 2014 by Harvard