

Give Me Your Tired, Your Poor and Your Economists, Too

By N. GREGORY MANKIW

ALL the recent talk in Washington about reforming immigration policy brings to mind Pat Paulsen, the comedian who, every four years, conducted faux campaigns for president.

“All the problems we face in the United States today,” Mr. Paulsen would say, “can be traced to an unenlightened immigration policy on the part of the American Indian.”

That quip contains a deep truth. Almost all Americans today are beneficiaries of a policy that welcomed our ancestors when they arrived at the border.

As an economist, I am often surprised at the hostility that some segments of the population express toward immigration. Most members of my profession are far more receptive to it, and for three main reasons.

First, many economists, especially conservative ones, have a libertarian streak. Ever since Adam Smith taught us about the wonders of free markets and the magic of the invisible hand, we have been loath to prohibit mutually advantageous trades between consenting adults. If an American farmer wants to hire a worker to pick fruits and vegetables, the fact that the worker happens to have been born in Mexico does not seem a compelling reason to stop the transaction.

Second, many economists, especially liberal ones, have an egalitarian streak. They follow the philosopher John Rawls’s theory of justice in believing that policy should be particularly attuned to its impact on the least fortunate. When thinking about immigration, there is little doubt that the least fortunate, and the ones with the most at stake in the outcome, are the poor workers who yearn to come to the United States to make a better life for themselves and their families.

Third, economists of all stripes recognize that our own profession has benefited greatly from an influx of talent from abroad. In just the last few weeks, the economics department at Harvard, where I am chairman, has brought in six candidates to be considered for two assistant professor positions. Of the six, three are Americans, one is German, one is Argentine, and one is a New Zealander. The jobs will be offered to those deemed to have most promise as teachers and scholars, regardless of nationality.

The competition from foreign-born economists makes it harder for American economists to get the best positions. But it would be hypocritical for American economists to argue against such competition, as we have long preached that nations are better off over all when they pursue a policy of free and open trade. This principle applies not only to manufactured goods like textiles and aircraft but also to labor services, including lectures on economics.

The system of higher education in the United States is the world's best in large part because it has long taken a global approach to hiring. The best students from abroad often come to the United States to earn their Ph.D.'s, and the best of these often stay here and join the faculties of American institutions. In my own department at Harvard, we have professors who were born in Canada, England, France, Italy, Spain, Austria, Poland, India and South Africa.

THIS competition from abroad may reduce the salaries of American-born economists like me, but it has improved the university, much to our students' benefit. For one thing, such competition keeps down the university's labor costs. Many parents are shocked at how high college tuition is, but it could be worse.

The willingness of universities to tap foreign talent also means that our students can learn from the worlds' best minds. America's superb system of higher education has been an engine of growth for the entire economy, thanks in part to the immigration of scholars from abroad.

I understand that not all workers in the United States will embrace foreign-born competitors with the same equanimity as a Harvard professor. That is especially true of those with fewer skills and opportunities.

Over the last several decades, for the most part, the wages of workers without any higher education have stagnated, while the wages of those with advanced degrees have risen. The main forces driving these trends are technological change, which tends to increase the demand for skilled workers relative to unskilled workers, and, to a lesser extent, international trade. But the immigration of unskilled workers from abroad may be a contributing factor, and one that is all too obvious when these immigrants vie for the same jobs as unskilled workers born in the United States.

The best solution to wage stagnation is to promote educational attainment among Americans. That's easier said than done, but the task is imperative nonetheless. We won't substantially help unskilled workers who are already here by denying the American dream to others who wish to pursue it.

In the end, even as an economist committed to rational policy analysis, I have to acknowledge that the immigration debate also has a visceral, emotional element. In my case, that is shaped by family history.

I am the grandson of four immigrants from Ukraine, who arrived in the United States about a century ago. None of them had more than a fourth-grade education, and none could speak English when they set foot on their new homeland. Yet they found work, made a living and raised families. They lived modest lives, but their children did better than they did, and their grandchildren did better still.

Lucky for me, the American Indian did not pursue the enlightened immigration policy suggested by Mr. Paulsen.

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