

Economic effects of immigration



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A trend that existed long time ago and still nowadays that people tend to move from one place to another in order to achieve better conditions of living and profits. Disregard the size, for many reasons immigrations occurred from several places. Of course the immigration occurs from less developed countries (LDCs) to more developed countries like the U. S.[1]As the immigration process concentrates in place such as the U. S. will affect that country in many ways. The immigrants from LDCs disproportionately have little schooling, so school system might be affected. Also, most of immigrants are mostly unskilled workers, so it would affect the low-wage labor market, but affect high-wage markets. As well as the ratio of exports and imports to GDP has risen as well, and an increasing proportion of imports have come from LDCs.[2]However, immigration does not only bring positive effects to a country, but also brings negatives at the same time such as security problems.[3]Throughout this paper, I will focus on both positives and negatives. This paper has three sections. First section will discuss about the effects of immigration on the U. S. labor market. Second section will discuss about the effects, both on social and economic levels. And last section will discuss about the changes in politics and effects of immigration to them.

Will immigration affect the markets? Yes, it definitely will because the market is a place where human interactions are happening and immigrants are part of the societies and they become to involve in the market as they revert. There are so many markets that immigrants can affect, but I will mostly focus on the labor market.

There was a significant rise in immigration and trade in the U. S. since the 1960s.[4] Since then, the major impulse for the increased inflow of legal immigration from less developed countries was the 1965 Amendments to the Immigration and Nationality Act.[5] There were many reasons why people sought the U. S. as a place to immigrate. The simplest reason is the huge wage differential between the U. S. and border countries like Mexico and this also increased illegal immigrants.[6] During the few decades after the Act, the U. S. faced a significant increase in the population pool that from 1970 to 1996, the number of foreign-born persons increased by 15 million, raising the foreign-born share of the U. S. to 9.3 percent in 1996.[7] Many immigrants first settled in the six main immigrant-receiving states: California, New York, Texas, Florida, New Jersey and Illinois, but soon spread out by 1990s.[8] Because of the most immigrants were in the adult population (aged 18 to 64), the effect of immigration on native labor was huge, mainly in these six states during the decades.[9]

The effect on native labor depends crucially on the skill distribution between immigrants and natives. Basically, if the immigrants are skillful as the natives then both groups are in the same skill-match that there will be no change in the structure of wages. By contrast, if immigrants are not skillful as the natives, then the wages will tend to concentrate to skillful workers and will shift the distribution of income toward the more of the natives, and the opposite will happen if the immigrants are more skillful.[10]

In the table from the article “ How Much Do Immigration and Trade Affect Labor Market Outcomes?” it compares the distributions of years of schooling for immigrants and natives in the U. S. and in California for 1990 and 1995.

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The table is showing that the distribution of immigrants by educational achievement is more spread than that of natives.[11]A disproportionately large number of immigrants have fewer than nine years of education, but also, a disproportionately high number have more than sixteen years. On average, however, immigrants have fewer years of schooling than natives. [12]As a result, the contribution of immigrants to the supply of skills has become increasingly concentrated in the lower educational categories. [13]These lower educational categories include farming occupations, service jobs, private household workers, and operators and fabricators. Immigrants are less likely than natives to work in white collar jobs and are especially underrepresented in government jobs.[14]Accordingly, this results in increasing competition in lower-skilled industries, which possibly can reduce the wage of workers while enhancing their performances. However, immigrants can just as easily work in any industries as the natives if they become skillful and second generation of these immigrants are gradually increasing their educational level so it seems that the immigrants possibly can easily acquire skillful jobs.

Were the changes emerged from the immigration effect positive? This answer can vary depending upon who one stand for. If the one is a native, he/she might consider it as negative because the immigrants made the natives harder to look for a job and the competition even made the natives acquire higher education now. However, the immigrants will not think in the same way because the minimum wage they receive in the U. S. is much higher compared to their home countries, so as long as they can afford jobs

they find it successful.[15]But now, let's stay away from this sentimentalism and talk about real negatives.

There are many problems emerge as more immigrants enter a country. Simply, let's think about an example. Suppose there is a small company and due to its successful innovation, it became huge and famous. Now, more people are willing to work for this company and the company is willing to hire more workers. However, as the workers increase, the company has to create another building or make the original building larger. Also, there will be higher costs for training them. The transfer of information between divisions will cost even more. There are just so many issues pop out as the number of people grows. This logic also applies to countries that accept large number of immigrants like the U. S.

However, there is a bigger problem than just about the costs. It is the security. When countries are dealing each other internationally, every single of them has dealt with excessive securitization of individual and group.

[16]Because people particularly emphasized on pervasiveness of fear and mistrust among stated intentions for peace, there is an idiom like “ Who wants peace must prepare for war.”[17]This idea of securitization even played a huge role during the world wars that Hitler wanted to restore and save the dignity of German, while exclude or persecute many Jews. Also, the nuclear arms race during the Cold War that the U. S. and Soviet Union wanted to get more people under their ideology by securing their members.

[18]However, when it comes to a country level, it is a little bit different.

There is a term called the security dilemma where “ the means by which a state tries to increase its security decrease the security of others.”[19]

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At the social level, the immigration often creates public opposition. For the past two decades, hostility to immigration has become increasingly politicized in many regions of Western Europe and the U. S. Anti-immigrant parties often give elaborations for why an individual would object immigration or support a nativist political movement.[20] However, unsurprisingly the academics blame individuals' nativism on lack of personal contact with immigrants, poor education, youthfulness, masculinity, a rural environment, failure to belong to a union, membership in the ethnic or linguistic majority.[21] However, the reality isn't the same as idealism. In fact, psychological school usually gives tiny help to those seeking to reduce nativism because it is hard to determine which specific bills to pass to reduce public alienation.[22] These anti-immigration movements are honestly waste of time and resources. What is so beneficial by kicking all immigrants out of a country who are people that possibly can enhance the quality of the country through the competition which makes everything efficient?[23] I cannot find any reasonable answer for this question. Obviously, the nativists will say things that are economic self-interest.[24] Most citizens will support any political movements only if they seem like beneficial to themselves. Apparently, the immigration does not seem like beneficial to the nativists. However, as mentioned earlier, it is not true. It is beneficial to a country when there is more population because it provides greater amounts of better services, rise in productivity, and more.[25]

Anti-immigration movements are not the only things that happen because of the immigration.

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