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Örn B. Bodvarsson & Hendrik Van den Berg, *The Economics of Immigration: Theory and Policy*, Springer, 2013, 474 pp. \$125 Hardcover.

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Abstract. *The Economics of Immigration: Theory and Policy (Second edition)* is designed as a survey book that addresses all facets of immigration. Though there is a great amount of information regarding immigration, the complexity of the topic has resulted in an absence of any comprehensive book that covers a wide range of issues. The book covers immigration theory, empirical evidence regarding those theories, special issues in immigration, and immigration policy throughout the world. Designed as a resource for both graduate students and researchers in the field, this book is successful at compiling all of the various literature and policy on immigration in a cohesive manner.

Keywords. Migration, Labor, Immigration policy, International economics.

JEL. F00, F22, J00.

1. Introduction

Immigration is a crucial component of international economics that has seen a resurgence of research recently. However, many international economics textbooks fail to address the theory or literature on immigration economics in any substantive, comprehensive way. *The Economics of Immigration: Theory and Policy (Second edition)* was written in an attempt to address this need. Indeed, the authors are largely successful in this venture.

This book, like its first edition, was designed to serve two main purposes: 1) to provide upper level undergraduate and graduate students a survey text and 2) to provide that same resource for researchers interested in immigration theory and academic literature. As stated in the first edition, this book is a "... 'one-stop shopping' resource for those who want a quick, but detailed exposure to the field, or a reliable resource for those who wish to navigate through what is a 'shopping mall' of literature" (Bodvarsson & Van den Berg, 2009). Additionally, this book addresses gaps in the academic literature and suggests areas where researchers can expand their analysis.

2. About the Authors

Co-author Örn B. Bodvarsson currently serves as professor and dean of California State, Sacramento's College of Social Sciences & Interdisciplinary Studies. In addition to nearly 30 years of experience in academia, Bodvarsson has an extensive history of scholarly research, including over 30 published articles in peer-reviewed journals. Bodvarsson's research focuses on immigration and labor,

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particularly wage determinants. Bodvarsson received his BS in Economics and MS in Agricultural and Resource Economics from Oregon State University and his PhD in Economics from Simon Fraser University (Vancouver, Canada).

Co-author Hendrik Van den Berg currently serves as lecturer at Mount Holyoke College. Prior to teaching at Mount Holyoke, Van den Berg taught for over 25 years at the University of Nebraska-Lincoln where he is professor emeritus. Like Bodvarsson, Van den Berg also has a broad scholarly portfolio, including more than 50 publications in refereed journals and numerous books and texts in a variety of areas, including international trade, international finance, development and immigration. Van den Berg received his BA and MA in Economics from State University of New York at Albany and his MS and PhD in Economics from University of Wisconsin.

3. Contents

The book is broadly organized into three parts. Part 1 of the book analyzes the underlying economic theories of immigration that have been developed, and surveys the evidence provided in support of or contradiction to the models. The earliest analysis of immigration begins with Adam Smith's observation that differences in wages create incentives for labor migration and ends with extensions of the modern model of immigration - the Borjas' (1987) model.

The following chapters attempt to answer two different questions: 1) "Why people immigrate" and 2) "Who immigrates"? The first question uses empirical models to define factors that determine migration flows. Most of these models use some form of the gravity model of migration developed in the 1960s and generally find that the main determinants of migration are differences in earnings and migration costs. However, because there is relatively little empirical work dedicated to the determinants of migration, it is still not clear how well the data supports the underlying theories. This is an area where the authors encourage much more research to achieve some amount of robustness regarding the results. The second question utilizes both theoretical and empirical literature to examine how immigrants self-select in response to differences in observable and unobservable factors. In this examination, two competing viewpoints are discussed regarding whether immigrants tend to be relatively *more* productive (the Chiswick (1999) view) or *less* productive (the Borjas (1987) view) than their native-born counterparts. Like in the previous chapter, the authors again call for more theoretical and empirical work in this area in hopes of upgrading "suggestions" to serious hypotheses" (p. 105).

The next chapters address the effects of immigration, first on the destination country and then on the source country. Here is where the authors use their own research to make contributions to the discussion. Namely, that we need to account for more than just changes to labor supply as a result of immigration – we must also look at changes in labor demand. They argue that changes in demand account for the relatively small impact of immigration on labor markets we find empirically given the predictions of theoretical migration models. This argument aligns with their more general theme throughout the book that many more aspects of immigration need to be taken into account in future research. They then discuss effects of immigration on the source country, including the topics of remittances and brain drain.

In a published review of the first edition of the book, Ethan Lewis (2010) noted that there was a large gap in the literature regarding immigration's impact on growth and productivity. In response, the authors have included in this edition a new chapter devoted entirely to immigration and economic growth. In this chapter,

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they try to capture the long-run dynamic effects of immigration. They again call for a more “holistic” approach that includes non-labor and even what we traditionally refer to as “non-economic” outcomes (p. 278).

Part II of the book covers special issues in immigration. This section includes a chapter on types of immigration that differ from those covered in the traditional models, namely temporary and involuntary immigration. There is also a chapter dedicated to unauthorized immigration. Finally, the authors look at the special case of Hispanic immigration to the US.

Part III of the book addresses immigration policy throughout the world. This section first looks at US immigration policy. Unlike most countries, US policies regarding immigration have varied from complete openness to strict regulation throughout its history. The next chapter covers immigration policy in Canada. Canada has interesting policies regarding immigration. Unlike the US, which largely uses ethnicity to determine admission, Canada selects immigrants based on education levels. Many believe this policy leads to greater welfare gains for the destination country. Finally, immigration policy in Europe is discussed.

4. Discussion

The economics of immigration is a topic that spans not only different fields within economics, but also different disciplines altogether; the relevant literature is diverse and complex. I believe that the authors successfully achieve their goal of providing a single resource that covers the wide range of existing issues regarding immigration. However, the complexity of immigration renders the task of creating a comprehensive overview of this topic a daunting one. Unsurprisingly, as a result of attempting to include so much information in so many different forms, the organization of the material can tend to suffer. For example, the book jumps to and from the Borjas’ model numerous times in several different chapters, which leaves the reader slightly bewildered. Likewise, topics are covered in the book and then revisited in what sometimes seems like an illogical sequence. Nevertheless, the authors are able to turn a virtual mosaic of immigration literature into a generally fluid tale of the subject.

5. Conclusion

As mentioned throughout the book, immigration is a dynamic process. Just as immigrants change, so too do the policies, theories, and conclusions regarding immigration. As new issues arise, new data become available, and new policies are made, more research on the economics of immigration will be necessary. For now, however, this book provides a comprehensive overview of the existing theories, issues and policies.

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