

whereas the average of test scores is representative of the human capital of workers born many decades later. The fact that the average is more susceptible to reverse causality bias will also have consequences for comparing the impact of these two human capital measures.¹

Lastly, the authors' normative conclusions regarding the room for school policies is problematic, as they are forced to use the level of test scores instead of value-added measures based on changes in test results between grades, where the variation in the former likely to a much higher degree comes from variation in family background and ability of the student population, instead from variation in the quality of education. They argue in chapter 4 that this issue is dealt with using features of countries' schooling institutions as instruments for the average of test scores (which is true, in so far that these instruments generate variation due to differences in schooling institutions). However, this also imposes the strong assumption that these instruments are uncorrelated with other relevant factors and that they do not have independent effects on growth, conditional on average test scores. Some support for the importance of schooling institutions comes from Hanushek and Woessmann's microanalysis for US immigrants in chapter 4. However, although this is a very valuable exercise, it is unclear if these results can be generalized to immigrants to other countries.

In the future, as test score data becomes available for several grades and for more years in more countries, it will be possible to deal with many of the issues above. Until then, we have to settle for the fact that the authors have been successful in answering some of the very challenging questions posed in this book, but also that some of the others will spur a lot of interesting research in the future. This in itself makes this book a valuable contribution and an interesting read.

¹In one specification, the authors use the average of years of schooling in 1960 and 2000, representing the human capital of an average worker born around 1940, with the estimate still statistically insignificant. However, even in this specification, the two human capital measures are not for comparable cohorts.

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J Labor and Demographic Economics

How Many Is Too Many? The Progressive Argument for Reducing Immigration into the United States. By Philip Cafaro. Chicago and London: University of Chicago Press, 2015. Pp. 305. ISBN 978–0–226–19065–5, cloth; 978–0–226–19762–3, e-book.

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In Philip Cafaro's *How Many Is Too Many? The Progressive Argument for Reducing Immigration into the United States*, the author makes two main arguments with respect to US immigration: low skill immigration hurts the native-born poor and immigration of all types harms the environment. Cafaro is to a large extent correct on both fronts, if only in the short run, and yet the conclusions he draws from these arguments are almost certainly wrong.

When polled, Democrats tend to state that immigrants make society better in the long run² and, as the title suggests, the goal of the book is to convince them that this view is misguided. The book is structured around two key arguments, an economic one and an environmental one, with the latter constituting the bulk of the book. In short, Cafaro argues that by harming the most vulnerable members of society, while simultaneously accelerating the destruction of the environment, increased immigration is in conflict with key ideological pillars of progressive thought. Cafaro claims a commitment to even-handedness and, indeed, in both his interpretation of evidence, as well as his anecdotes, he regularly invokes both sides of the debate. However, while pro-immigrant arguments are often invoked, they are rarely grappled with seriously.

²Pew Research Center Survey conducted in March and April 2015: <http://www.pewresearch.org/fact-tank/2015/09/30/on-views-of-immigrants-americans-largely-split-along-party-lines/>

This imbalance is most evident in the early sections of the book, which focus on the economic consequences of low-skill immigration. Here, he rightly notes that the least-skilled native-born workers have, on average, experienced short-run wage and employment losses in response to local inflows of immigrants, though he focuses narrowly on the studies that find the most deleterious effects. But while some debate revolves around the exact magnitude of these losses, there is little doubt that there are many thousands of workers who compete with low-skill immigrants for work. This should lead us to be concerned and, more importantly, to promote policies to mitigate the potential economic harm, which is exactly the author's point.

Of course, Cafaro's solution is to greatly restrict future immigrant inflows, a conclusion that can only be reached on an economic basis if one focuses only on the short run while also ignoring the economic benefits that immigrants bring. In weighing the benefits against the losses to the country as a whole, we can begin with the fact that the native workers who compete most directly with low-skill immigrants constitute at most around 10 percent of the population (native-born individuals without high school degrees)³, a number that is likely much smaller, since many workers live in areas with few immigrants and many do not work for reasons unrelated to immigration. In any case, the overwhelming majority of workers is in fact unaffected by, or benefits from, the presence of low-skill immigrants, even in the short run. As a result, one must place a very large weight on the small group of high-school dropouts—while of course placing no weight on the welfare of the immigrants themselves—in order to conclude that society is worse off due to the presence of these immigrants.

In addition, while the “partial-equilibrium thinking” at work in this section of the book is representative of a commonly held view of how immigration affects US workers, it ignores the multitude of roles that individuals play in an economy. Critically, in the long run these roles will likely reverse any negative consequences for native-born workers. For instance, Cafaro laments the displacement of native-born construction

workers by Mexican laborers in Colorado, but later he also worries over the housing sprawl to which immigrants contribute as they pursue the American dream of owning a home. Clearly, the increased demand for housing should be a boon to the construction industry, and should offset some portion of the job displacement. Whether this effect is one-for-one or not is an empirical issue, but at the least it is a conceptual point that should be considered. Also only addressed in passing are the roles immigrants play as innovators and entrepreneurs—i.e., *job creators*. By way of analogy, several million students obtain high school and advanced degrees each year, usually within a short window of time in May and June, and yet we do not worry that these new workers will take our jobs. We know, implicitly, that the economy is flexible in all the ways discussed above, and that in the end we will be better off with the energy and ideas these new workers bring.

As it turns out, the arguments that Cafaro makes with respect to low-skill natives are ultimately irrelevant to his true concerns, which are the environmental consequences of immigration and, more specifically, environmental damage within US borders. Here, he ranges from asking whether GDP is a good reflection of human fulfillment to lamenting the burden that population growth, and hence immigration, places on the US landscape through water and air pollution, species extinction, and sprawl. The main argument is that any movement of individuals from relatively poor countries to the United States is bad, since it leads to increased domestic output and consumption—i.e., economic growth—which enlarges the US environmental footprint. This is undoubtedly true, and for this and other reasons we face difficult decisions with respect to our management of the environment. Furthermore, reasonable people may disagree about how desperate our current moment is and what the optimal policy responses are. But given the wide range of options available to us, it seems strange to place the burden of our excesses on poor individuals seeking a better life.

In part, this is because we clearly do not *earn* our place of birth, it is an accident, and it is therefore difficult to see why it should constrain a potential immigrant's ability to improve his or her standard of living. But even if one believes that the welfare of current US residents should take

³ <http://www.bls.gov/news.release/empsit.t04.htm>

precedence over all others, it is not clear why our efforts to halt economic growth should be limited to the United States, given the global nature of the environmental issues that we face and the outsized role that developing countries must play in tackling them. And once one concedes that Indian and Chinese growth must be considered in the calculus, the moral implications tip heavily against the book's argument. While economic growth is indeed a source of substantial environmental damage, it is not clear that the optimal response is to relegate billions to a life of poverty while we live as we do. Though Cafaro would presumably disagree with the characterization, it is hard to avoid the conclusion that he advocates keeping the Earth as it is, and individuals where they are, so that Americans can continue to live prosperously.

In the opening chapter of the book, Cafaro notes that his grandfather was an immigrant from Southern Italy, a fact that he recognizes must be reconciled with his anti-immigration views. To this end, he argues that now things are different. And yet, mystifyingly, the short list he provides to justify present-day immigration restrictions is composed almost entirely of facts that were just as true, or truer, when his grandfather arrived as they are now. The exception is his first point: Cafaro claims that today immigrant labor is often used as leverage in order to weaken labor unions, a claim for which he provides little evidence. In contrast, labor unions were in fact largely composed of immigrants in the early twentieth century, and there is evidence that newly arrived immigrants strengthened those unions.⁴ The rest of Cafaro's list of reasons to close the border has been true for more than a century: then, as now, immigration increased labor market competition for some workers in the short run, while also increasing income inequality; immigration led to population growth and contributed to environmental damage; and popular opinion was opposed to more immigration. Whereas for all the reasons noted above I believe that immigrants are still easily a net benefit for society, it is the author's confusion on these points that highlights how difficult it is to make the argument he

would like to make, and at a minimum it reflects his failure to do so.

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The Marriage Motive: A Price Theory of Marriage: How Marriage Markets Affect Employment, Consumption, and Savings. By Shoshana Grossbard. New York and Heidelberg: Springer, 2015. Pp. x, 209. \$99.00, cloth. ISBN 978–1–4614–1622–7, cloth; 978–1–4614–1623–4, e-book. *JEL* 2015–0490

In the last three to four decades, there has been a virtual explosion of literature on the economics of the family household following the early contributions by Gary Becker (1973), Jacob Mincer (1962), and Paul Samuelson (1956). The author of this book has contributed significantly to this growth, both as a prolific producer of research papers and as the editor of a journal specializing in the field. The book itself is part memoir, dedicated to Gary Becker and giving some personal observations on the development of the Chicagoan tradition in this area, on the scholars who contributed to it and Grossbard's role in that, and part survey of virtually all of the published work done by Grossbard and her coauthors, from her earliest papers to some recent work soon to be published.

Almost the whole of this work is based on one quite simple model of the household that is set out in its most basic form in chapter 2. The author sees the household as consisting essentially of two partners/spouses, male and female, with one working in the market and the other supplying "work-in-household," or WiHo, producing goods and services for the consumption of the partner working in the market. There is a perfectly competitive market for WiHo that establishes an equilibrium price, or wage for household work, by the usual process of supply and demand. Thus, the resource allocation in the household comes about by a decentralized process of individual utility maximization subject to individual budget constraints. For the partner/spouse working in the market, the sum of the expenditure

⁴ See Olzak 1989.