The US Experience

Kevin Shih
Rensselaer Polytechnic Institute

Milan, April 22\textsuperscript{nd}, 2016
Conference on Immigration, Refugees and Asylum Policies
Immigration, Refugees and Asylum Policies
The U.S. Experience

Discussion by: Kevin Shih

Rensselaer Polytechnic Institute

April 22, 2016
Introduction

- 2 interesting papers
- 2 leading scholars
- 2 distinct research questions
- 2 different methodologies
- 2 countries (Mexico, Cuba)
- 2 groups (Undocumented, Refugees)
One Discussant

- 2 Discussions
- 2 Recaps
- 2 Sets of Contributions
- 2 Sets of Comments
- 2 Sets of Suggestions/Future Ideas
- Bonus feature:
  - 2 Documentaries
  - 2 Movies
Borjas (2016) - The Wage Impact of the Marielitos: A Reappraisal

The Numbers
- 110,000 arrive
- 55,700 enter
- 32,500 low-skilled
- 18% supply shock
**Research Question:** Did the influx of Mariel refugees impact the wages of preexisting workers in Miami?

**Identification Strategy**
- Marielitos disproportionately low-skilled → focus on wages of low-skilled non-hispanic males
- Difference-in-Differences (DD): Post – Pre, Miami – Control
- Various control groups

**Main Findings:**
- Wages declined for low-skill males due to Mariel influx
- Average wages dropped 10-30% for male HS dropouts
- Delayed response, largest impact 3-5 years after rather than immediately
Contributions

- Focus on workers likely to be directly competing with Marielitos
- Visual
- Improvement on DD w/ employment-based control and synthetic control
- Different data sources (March CPS vs. MORG) and more data
2 Cs (Comments)

- Coincident treatments
- Composition
**Homicide Rate Breaks Record In Dade County**

MILLI (AP) — Dade County’s 1980 homicide rate not only breaks all previous records with 578 murders, but a breakdown of Miami slayings reveals some other facts.

Seven percent, or 17, of Miami’s 244 slaying victims this year were thieves killed by retaliating victims of crime. “We never, ever had anything like that before,” said Miami Homicide Sgt. Mike Gonzalez.

In contrast, 13 percent, or 31 slayings, were people killed while being robbed.

Another notable increase is in the number of Latino males slain. For the first time in Miami history, the number exceeds black male slaying victims. Ninety Latino males were killed this year and 85 black males, the group that traditionally runs the greatest murder risk.

“It doesn't mean that the young black rate is less,” said William Wilbanks, associate criminology professor at Florida International University. “Even though the rate for young black males is much higher than for young Latino males, the rate for young Latinos is increasing at a much faster pace.”

The large number of refugees in Miami and Latin involvement in drug trafficking are reasons for the increase, according to Wilbanks. Eighteen victims were...
Cocaine Cowboys Timeline

Murder Rate (Florida)

Source: FBI Uniform Crime Reporting Statistics Database
Implications of Growing Cocaine Trade

- What if all low skilled Marielitos were absorbed by the cocaine industry?
- Native cocaine cowboys?
- Massive inflow of drug money into Miami service sector could have boosted low skill wages
- Mid-1980s violence and crackdown on drug industry might also explain downturn in low skill wages
Composition

- How much do compositional changes account for the wage decline?

<table>
<thead>
<tr>
<th>Level</th>
<th>Years</th>
<th>Different County</th>
<th>Different State</th>
<th>White Males 25+</th>
<th>Different County</th>
<th>Different State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>0 to 8</td>
<td>9.1%</td>
<td>3.8%</td>
<td>9.7%</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>HS</td>
<td>1 to 3</td>
<td>12.7%</td>
<td>5.7%</td>
<td>13.2%</td>
<td>5.9%</td>
<td></td>
</tr>
<tr>
<td>HS</td>
<td>4</td>
<td>16.7%</td>
<td>8.1%</td>
<td>16.9%</td>
<td>8.1%</td>
<td></td>
</tr>
<tr>
<td>College</td>
<td>1 to 3</td>
<td>24.1%</td>
<td>12.2%</td>
<td>24.7%</td>
<td>12.3%</td>
<td></td>
</tr>
<tr>
<td>College</td>
<td>4</td>
<td>30.0%</td>
<td>16.1%</td>
<td>30.5%</td>
<td>16.3%</td>
<td></td>
</tr>
<tr>
<td>College</td>
<td>5+</td>
<td>31.4%</td>
<td>18.3%</td>
<td>31.7%</td>
<td>18.4%</td>
<td></td>
</tr>
<tr>
<td>HS Dropouts</td>
<td></td>
<td>10.7%</td>
<td>4.6%</td>
<td>11.2%</td>
<td>4.8%</td>
<td></td>
</tr>
</tbody>
</table>


- Did native workers move out of Miami given the violence, increased competitions, etc.

- Selection in moving may cause changes in average wages
Suggestions/Future Ideas

- Migration responses? Employment response?
- The Mariel Boatlift that did not not happen?
- Impacts on other workers?
- Dynamics. Short-term wage rigidities, workers and firms adjustments, etc.
Massey et al. (2016) - Why Border Enforcement Backfired

- Funding growth predicated on rhetoric of fear that was vastly different from reality

Figure 1. Border Patrol budget in millions of 2013 dollars
Massey et al. (2016) Summary

- **Research Question**: Did increase in border funding work? How did this alter undocumented migration patterns?

- **Identification Strategy**
  - Large number of data sources for controls
  - IV using DEA budget

- **Main Findings**
  - Border Patrol largely unsuccessful—apprehension at border did not change much
  - Traditional crossing sites → more dangerous sites
  - Increase use of guide and higher guide cost
  - Probability of death increased
  - Likelihood of return migration fell
Contributions

- Evaluates an important and often debated policy
- Impressive use of many different data sources - MMP
- Visual
- Examines many outcomes
- Strong implications for US border policy
Thoughts & Comments

- $IV = DEA\ Budget\ (Drug\ Enforcement\ Agency)$
- Selection/Composition
Movie 2 - Sicario
Documentary 2 - Cartel Land
IV - DEA and Border Patrol

- If their budgets truly independent, are the impacts of budget spending independent?

- Could changes in DEA resources affect migratory outcomes in manner unrelated to Border Patrol?

- Changes in US (or even local economic conditions could affect both budgets and undocumented migration)
Selection/Composition

- Border patrol had an effect
- Moved pattern of migration to more dangerous, costly routes
- Does this imply the type of migrant has changed? Willing to take on more risk?
- This might partially account for changes in other outcomes – e.g. return migration
Suggestions/Future Ideas

- Final Destination? Where do they end up working/settling?
- Important implications for community, culture, and labor market of certain areas
- What is the composition of the Border Patrol Budget?
- Different interventions may have different efficacy
Conclusion: Current events reflect the past
## Film for Thought

<table>
<thead>
<tr>
<th>Film</th>
<th>Year</th>
<th>Film</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narco Cultura</td>
<td>2013</td>
<td>Narcos</td>
<td>2014</td>
</tr>
<tr>
<td>Blow</td>
<td>2001</td>
<td>My Family</td>
<td>1995</td>
</tr>
<tr>
<td>Sicario</td>
<td>2015</td>
<td>The Undocumented</td>
<td>2013</td>
</tr>
<tr>
<td>Sins of My Father</td>
<td>2009</td>
<td>Mojados: Through the Night</td>
<td>2004</td>
</tr>
<tr>
<td>Cocaine Cowboys</td>
<td>2006</td>
<td>The Golden Dream</td>
<td>2013</td>
</tr>
<tr>
<td>Cocaine Cowboys 2</td>
<td>2008</td>
<td>De Nadie</td>
<td>2005</td>
</tr>
<tr>
<td>Savages</td>
<td>2012</td>
<td>El Inmigrante</td>
<td>2005</td>
</tr>
<tr>
<td>Traffic</td>
<td>2000</td>
<td>Miami Vice</td>
<td>1984</td>
</tr>
<tr>
<td>Drug Wars: The Camarena S</td>
<td>1990</td>
<td>Miami Vice</td>
<td>2006</td>
</tr>
<tr>
<td>Under the Same Moon</td>
<td>2007</td>
<td>Scarface</td>
<td>1983</td>
</tr>
<tr>
<td>Sin Nombre</td>
<td>2009</td>
<td>No Country for Old Men</td>
<td>2007</td>
</tr>
<tr>
<td>Which Way Home</td>
<td>2009</td>
<td>Maria Full of Grace</td>
<td>2004</td>
</tr>
<tr>
<td>The Other Side of Immigrants</td>
<td>2009</td>
<td>Bad Boys</td>
<td>1995</td>
</tr>
<tr>
<td>Babel</td>
<td>2006</td>
<td>Bad Boys II</td>
<td>2003</td>
</tr>
<tr>
<td>A Day Without a Mexican</td>
<td>2004</td>
<td>El Mar y El</td>
<td>2015</td>
</tr>
</tbody>
</table>