

The Broader Effects of Trade and Tech

Quite a few people consciously favor “free markets, but not free migration.” When questioned, many explain that unlike free markets in goods, free markets in labor have “broad social effects.” At this point, I have to suppress my urge to exclaim, “Are you out of your minds?” They’re right, of course, that free migration has broad social effects. They’re crazy, however, to imagine that free markets in goods *lack* these effects. Indeed, at least within the observed range, ordinary market forces have changed society far more than immigration.

Start with international trade. If the U.S. were a closed economy, manufacturing would still have shrunk, but it would remain a major source of employment. The Rust Belt would be doing far better – and less eager for a populist political savior. Opioid and alcohol use among the working class would likely be considerably lower. Families would be more stable. College attendance and the college premium would have risen more modestly. More speculatively, church attendance would be higher, and nerd culture less dominant.

The broader effects of international trade are however dwarfed by the broader effects of all the technological progress that market forces unleash. I remember life before the Internet. When I was a teenager, I was almost completely intellectually isolated. Overcoming boredom was a constant challenge. There were no cyberbullies; we had real bullies instead. When I wanted to publicly speak my mind, I wrote letters to the newspaper. I had zero friends outside the U.S. My parents and I were routinely out of contact for hours at a time. I still feel young, but I remember a world that most EconLog readers would find primitive.

Nor is the Internet an isolated example. The automobile has broad social effects. So did household appliances. So did modern contraception. Obviously.

The pro-market, anti-migration thinkers could demur, “Yes, we all know that. Our real complaint is that the broader effects of immigration are generally *bad*, while the broader effects of international trade and technological progress are generally good.” But if that’s the real complaint, I say we’re entitled to a careful accounting of these broader social effects. Who has even bothered to compile lists of these broader effects, much less try to measure them?

If no one is doing the math, why would anyone think that broad social changes are benign? By the power of hindsight bias! Once a major social change happens, people just get used to it, with little doubt about whether the change was in fact a net positive.

Immigration is, of course, the main exception. We can’t imagine going back to a world

without the Internet, automobiles, or contraception. It doesn't ultimately matter whether their broad social effects are good or bad; we just have to live them, because turning back the clock would require draconian tyranny. We can, however, imagine going back to a world with near-zero immigration, so fretting about the broader effects of immigration has great appeal. Wouldn't that require draconian tyranny, too? Well, since the victims aren't fellow citizens, no.

My personal view is that the broad social effects of international trade, technological progress, and immigration are all, on balance, positive. For immigration, I've done my homework; for trade and tech, however, I'm only guessing. What's clear, however, is that broader social effects are ubiquitous. Selectively invoking "broader effects" may be rhetorically effective, but it does not make you wise.