

Book Review: Trading Barriers: Immigration and the Remaking of Globalization by Margaret E. Peters

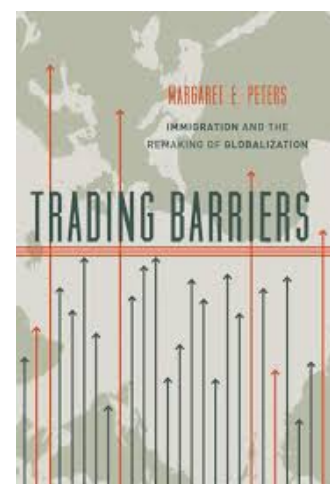
In *Trading Barriers: Immigration and the Remaking of Globalization*, Margaret E. Peters explores how freer international trade has led to more restrictive immigration policies around the world. While questioning some elements of its structure and style, [Paul Caruana-Galizia](#) nonetheless welcomes this as a timely and well-researched study that offers valuable insight into the trade-offs between free trade and immigration.

***Trading Barriers: Immigration and the Remaking of Globalization*. Margaret E. Peters. Princeton University Press. 2017.**

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If the Statue of Liberty didn't exist, what public monument would be built in its place today? It's unlikely to be one inscribed with the words: '[Give me your tired, your poor \[...\] The wretched refuse of your teeming shore.](#)' We're more likely to see a dam, stretching across New York Harbour, just as President Trump's wall would stretch '[nice and strong](#)' across the Mexican border. Its inscription might start with 'Keep', rather than the Statue of Liberty's 'Give me'.

The Statue of Liberty is now more a symbol of what America once was than of what it is today. It reminds us just how far the nation has diverged from its earlier days of [openness in general and open immigration in particular](#). With *Trading Barriers: Immigration and the Remaking of Globalization*, Margaret E. Peters wants to explain why immigration policy has changed in this way, both in the United States and globally. Drawing on [current trade theory](#), which emphasises the role of trade between firms and not just between countries, Peters argues that freer international trade leads to more restrictive immigration policy.



Peters's argument, both novel and intuitive, runs as follows. In developed countries, openness to international trade reduces the demand for low-skilled workers, as firms in developed countries are unable to compete with those in developing countries where production costs, especially wages, are lower. As immigration is a major source of low-skilled workers for firms in developed countries, and the means by which firms have historically kept their costs down, these firms become less likely to lobby for open immigration policy. In this way, freer international trade both reduces the demand for low-skilled immigrants and removes the support for open immigration policy. So much for the immigrants.

The firms that don't close down in the face of freer trade either move overseas, where labour is cheaper, or they adopt labour-saving technology, reducing the need for labour altogether. Both adaptations, [offshoring and automation](#), are defining stories of our time.

South of what was the US manufacturing belt, now 'rust belt', is Appalachia: once a centre of coal production, now of [drug consumption](#). West of Appalachia is the 'corn belt': still a centre of corn production. Labourers in the first region lost out to offshoring as manufacturing moved overseas. Those in the second region lost out in the move [towards green energy and the mechanisation of coal](#). In the 'corn belt', farms consolidated and mechanisation grew output, reducing the need for labour, and with it, [the need for rural towns](#). It's in these regions that President Trump finds some of his [strongest support](#): home of the tired, the poor, the 'wretched refuse' of the global economy.

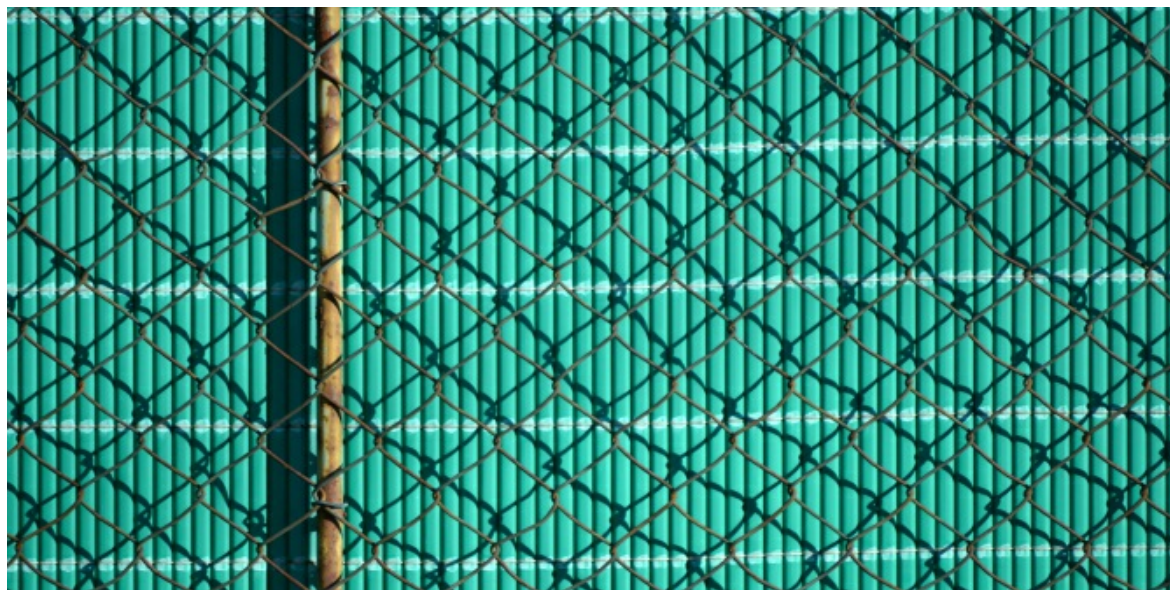


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This story isn't limited to the United States. Peters assembles an impressive dataset on immigration and trade policy around the world — nineteen countries, some OECD members, some Gulf Arab and East Asian countries — over two centuries to test her argument. She starts by describing trade and immigration policy across this sample, referring along the way to changes in transportation that have lowered the costs of international trade. Peters shows that for this international sample, trade and immigration policy are negatively correlated: that as countries liberalise trade, they restrict immigration.

Following this broad overview, Peters provides an analysis of each step of her argument for the United States. Graph after graph, she shows that 1) industries that lose their trade protection become less supportive of low-skill immigration; 2) industries that are more mobile, and so can offshore production, become less supportive of low-skill immigration; and 3) industries that become more productive by replacing labour with technology become less supportive of low-skill immigration. Peters then provides subnational evidence from the US in support of these same three findings. She relates state-level changes in trade costs and exposure to freer trade to voting patterns in the Senate.

Peters's empirical results are consistent with her argument and across a range of different geographical contexts and periods. She shows that there is a robust empirical link between freer trade and restrictive immigration. Along the way, Peters also finds varying levels of support for competing explanations, including nativism, protectionist labour unions and concerns over social welfare expenditures. While the evidence for these explanations is not as consistent across contexts as it is for the freer trade explanation, Peters sometimes downplays their role a little excessively.

An assistant professor of political science at the University of California at Los Angeles, Peters based this book on her [award-winning doctoral dissertation](#). The book can read like a dissertation. The writing is defensive, continuously shutting down all plausible counter-arguments and stressing the importance and novelty of results.

The theoretical framework, which is interesting because it is so intuitive, is also drawn out over 35 pages, including a three-page table in Chapter Two following a summary in Chapter One. Chapter Eight, the concluding chapter, returns to the theoretical framework, drawing out its implications for, in separate subsections, eleven different fields of academic research. This style of writing limits the book's appeal, making it inaccessible to non-academic and even some academic readers. It's the former who are subjected to alarmist, evidence-scarce arguments on immigration daily and are in most need of Peters's research.

Yet the book is worth the effort: *Trading Barriers* is a solid, interesting and timely piece of research, and contains valuable insights into the trade-offs between free trade and immigration.

This review originally appeared at the [LSE Review of Books](#).

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About the reviewer

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