



Award Statement

2011 Prize Winners

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Barry R. Chiswick

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Award Statement of the IZA Prize Committee

The IZA Prize in Labor Economics 2011 is awarded to George J. Borjas (Harvard University) and Barry R. Chiswick (George Washington University) for their fundamental contributions to the economic analysis of migration. With their groundbreaking work, Borjas and Chiswick have set the stage for assessing migration flows and immigrant assimilation, as well as the consequences of immigration for the labor markets and welfare systems of host countries. They have been the leading figures in the intense debate about earnings assimilation and the nature of migrant selectivity. In an era in which human mobility has been rapidly increasing, and in which global differences in labor market performance pose important questions for the design of migration policies, Borjas' and Chiswick's work provided researchers and policy-makers with the necessary instruments to study some of the most pressing questions in public policy. Their research is distinguished by a focus on thought-provoking questions, rigorous theoretical and empirical analysis, policy-relevance, and accessibility to a wide audience.

Barry R. Chiswick pioneered the economic analysis of immigration with his seminal 1978 paper in the *Journal of Political Economy*, "The Effect of Americanization on the Earnings of Foreign-Born Men". Putting human capital in the center of the measurement of immigrant earnings, the paper provided the framework for much of the subsequent research on immigrant adjustment. Chiswick made the migration area a fully-fledged field in labor economics and explained immigrant behavior with simple, intuitive and understandable economics. His 1978 paper constitutes a starting point for profound discussions on how immigrants fare relative to natives in the host country's labor market, and what determines their labor market success. The human capital framework provides a better understanding of the relevance of immigrants' educational attainment, differences in assimilation between ethnic groups, or occupational concentration of migrants. In his fundamental 1985 paper in the *Journal of Labor Economics*, "Assimilation, Changes in Cohort Quality, and the Earnings of Immigrants", George J. Borjas demonstrated the importance of considering differences in cohort characteristics when gauging the speed of immigrants' earnings adjustment. Comparing the 1970 and 1980 waves of U.S. census data, he showed that the availability of longitudinal data is vital for assessing the speed of earnings assimilation. The results underlined that some groups of immigrants may never attain earnings parity with native-born workers. Borjas found that older immigrant cohorts may catch up to the earnings of natives, but that more recent cohorts faced severe assimilation problems, indicating lower endowments of recently arrived immigrants in terms of education or language ability. The work of Borjas and Chiswick suggests that carefully designed migration policies are paramount for the successful labor market integration of immigrants.

Barry R. Chiswick has also written extensively on language proficiency and its effects on migrant assimilation. He developed a theoretical framework in which the acquisition of language can be analyzed, and has subsequently tested the model using data from labor markets in numerous countries. He has addressed a wide range of essential questions regarding the determinants of language proficiency, and the impact of language ability on migrants' labor market success. Chiswick's 2007 book "The Economics of Language" (co-authored by Paul W. Miller) provides an encompassing overview of the most important results from their research. The book has contributed to a better understanding of the theory, conditions, and consequences of language

acquisition and the processes of migrant integration as a whole. By empirically establishing a link between linguistic capital and economic advancement, Chiswick's analyses underscore the importance of education and language skills for socioeconomic mobility.

George J. Borjas has broadened the scope of migration research to further questions that are central for evaluating the impact of migration and for designing immigration policy. First, Borjas turned the attention to the question how immigration affects the host country's population. His thoughtful empirical analysis has provided a much more nuanced view on whether and why certain subgroups of natives are particularly affected by the inflow of immigrants. Borjas' fundamental contributions provided a coherent theoretical and empirical framework in which the welfare effects and distributional consequences of immigration can be studied. In addition to a continuous stream of innovative research papers on these topics, Borjas has also produced two influential books on immigration and immigration policy, including his 1999 book "Heaven's Door: Immigration Policy and the American Economy". These books have helped put migration at the top of the political agenda in many countries.

George J. Borjas and Barry R. Chiswick have stimulated a tremendous amount of research by many academics all over the world. The immense contribution of these scholars also lies in their empirical ingenuity and their deep understanding of data. They raised issues about the inadequacy of existing data and developed new techniques, emphasizing the importance of high-quality micro level data for examining serious public policy questions. Their work has served as a role model for many subsequent researchers, and it has been the basis for the rapid growth of interest in the analysis of immigration during the past three decades.

The IZA Prize in Labor Economics 2011 honors the work of two exceptional scholars who have greatly advanced our understanding of some of the most important questions in modern labor market research.

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