

3 ECTS

The Economics of Migration

Overview and Objectives

This course provides an overview of the key concepts in the economics of immigration. It is divided into two parts. The first part consists of 4 lectures in which we will cover the basic theoretical models. The second part will be seminar style. Each seminar will consist of an overview of the specific topic given by me, and presentations given by the students. For this purpose, students will team up in pairs and prepare a presentation and brief report about one of the key papers in the relevant literature.

Course Outline

Part 1: Lectures

- 1. Introduction, Background and History
- 2. The Migration Decision and Forms of Migration
- 3. The Effect of Immigration on Wages and Employment
- 4. The Effect of Immigration on the Industry Structure and Technology

Part 2: Seminars

- 5. Immigration and Economic Development
- 6. Immigration and Assimilation
- 7. Estimating the Labour Market Impact of Immigration (Part 1)
- 8. Estimating the Labour Market Impact of Immigration (Part 2)
- 9. The Effect of Immigration on Prices, Housing and Crime
- 10. Illegal Immigration, Ethnic Segregation and Attitudes to Immigration

Required Activities

Class presentation and submission of written report.

Evaluation

Class presentations and reports: 50%, Final exam: 50%.



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Materials

There is no single textbook this course follows. We will use a variety of journal articles and working papers throughout the course which should all be available on the internet, for example through JSTOR. The following reading list is quite extensive – though certainly not exhaustive – and not all papers are equally relevant. I have marked a few key references in **bold**.

General Reading

Bodvarsson, Ö. and H. van den Berg (2009), *The Economics of Immigration – Theory and Policy*, Berlin Heidelberg: Springer.

Borjas, G. J. (1999), "The Economic Analysis of Immigration", in O. C. Ashenfelter and D. Card (Eds.), *Handbook of Labor Economics*, Vol. 3A, Chapter 28, pp. 1697-1760, Amsterdam: North-Holland.

The Migration Decision

Borjas, G. J. (1987), "Self-Selection and the Earnings of Immigrants", *American Economic Review*, Vol. 77 (4), pp. 531-553.

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Chiquiar, D. and G. Hanson (2005), "International Migration, Self-Selection, and the Distribution of Wages: Evidence from Mexico and the United States", *Journal of Political Economy*, Vol. 113 (2), pp. 239-281.

Chiswick, B. R. (1999), "Are Immigrants Favorably Self-Selected?", *American Economic Review Papers and Proceedings*, Vol. 89 (2), pp. 181-186.

Grogger, J. and G. H. Hanson (2011), "Income Maximization and the Selection and Sorting of International Migrants", Journal of Development Economics, Vol. 95 (1), pp. 42-57.

Mayda, A. M. and K. Patel (2004), "OECD Countries Migration Policy Changes", available at http://www9.georgetown.edu/faculty/amm223/papers.htm

Munshi, K. (2003), "Networks in the Modern Economy: Mexican Migrants in the U.S. Labor Market", *Quarterly Journal of Economics*, Vol. 118 (2), pp. 549-599.

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Roy, A. D. (1951), "Some Thoughts on the Distribution of Earnings", *Oxford Economic Papers*, Vol. 3, pp. 135-146.

Dustmann, C. (2003), "Return Migration, Wage Differentials, and the Optimal Migration Duration", *European Economic Review*, Vol. 47 (2), pp. 353-367.

Stark, O. and J. E. Taylor (1991), "Migration Incentives, Migration Types – The Role of Relative Deprivation", *Economic Journal*, Vol. 101 (408), pp. 1163-1178.

Dustmann, C. and O. Kirchkamp (2002), "The Optimal Migration Duration and Activity Choice After Remigration", *Journal of Development Economics*, Vol. 67 (2), pp. 351-372.

Forms of Migration

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Dustmann, C. and Y. Weiss (2007), "Return Migration: Theory and Empirical Evidence from the UK", *British Journal of Industrial Relations*, Vol. 45 (2), pp. 236-256.

Borjas, G. J. and B. Bratsberg (1996), "Who Leaves? The Outmigration of the Foreign-born", *Review of Economics and Statistics*, Vol. 78 (1), pp. 165-176.

Galor, O. and O. Stark (1990), "Migrants' Savings, the Probability of Return Migration and Migrants' Performance", *International Economic Review*, Vol. 31 (2), pp. 463-467.

Cortes, K. E. (2004), "Are Refugees Different from Economic Immigrants? Some Empirical Evidence on the Heterogeneity of Immigrant Groups in the United States", *Review of Economics and Statistics*, Vol. 86 (2), pp. 465-480.

Jasso, G. and M. Rosenzweig (1982), "Estimating the Emigration Rates of Legal Immigrants Using Administrative and Survey Data: The 1971 Cohort of Immigrants to the United States", *Demography*, Vol. 19 (3), pp. 279-290.

Dustmann, C. (1996), "Return Migration: The European Experience", *Economic Policy*, Vol. 22, pp. 215-250.

Warren, R. and J. M. Peck (1980), "Foreign-born Emigration from the United States: 1960-1970", *Demography*, Vol. 17 (1), pp. 71-84.



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The Effect of Immigration on Wages and Employment

Altonji, J. G. and D. Card (1991), "The Effects of Immigration on the Labor Market Outcomes of Less-skilled Natives", in J. M. Abowd and R. B. Freeman (Eds.), *Immigration, Trade, and the Labor Market*, Chapter 7, pp. 201-234, Chicago: University of Chicago Press.

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Borjas, G. J. (1994), "The Economics of Immigration", *Journal of Economic Literature* Vol. 32 (4), pp. 1667-1717.

Borjas, G. J. (2003), "The Labor Demand Curve is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market", *Quarterly Journal of Economics*, Vol. 118 (4), pp. 1335-1374.

Borjas, G. J., R. B. Freeman, and L. F. Katz (1997), "How Much Do Immigration and Trade Affect Labor Market

Outcomes?", *Brookings Papers on Economic Activity*, Vol. 1997 (1), pp. 1-90.

Borjas, G. J., J. Grogger and G. Hanson (2008), "Imperfect Substitution between Immigrants and Natives: A Reappraisal", NBER Working Paper No. 13887.

Card, D. (1990), "The Impact of the Mariel Boatlift on the Miami Labor Market", *Industrial and Labor Relations Review*, Vol. 43 (2), pp. 245-257.

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Card, D. and J. DiNardo (2000), "Do Immigrant Inflows Lead to Native Outflows?", *American Economic Review*, Vol. 90 (2), pp. 360-367.

Carrington, W. J. and P. J. de Lima (1996), "The Impact of 1970s Repatriates from Africa on the Portuguese Labor Market", *Industrial and Labor Relations Review*, Vol. 49 (2), pp. 330-347.



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Dustmann, C., F. Fabbri and I. Preston (2005), "The Impact of Immigration on the British Labour Market", *Economic Journal*, Vol. 115 (507), pp. F324-F341.

Dustmann, C., T. Frattini and I. Preston (2012), "The Effect of Immigration Along the Distribution of Wages", forthcoming *Review of Economic Studies*.

Friedberg, R. M. (2001), "The Impact of Mass Migration on the Israeli Labor Market", *Quarterly Journal of Economics*, Vol. 116 (4), pp. 1373-1408.

Friedberg, R. M. and J. Hunt (1995), "The Impact of Immigration on Host Country Wages, Employment and Growth", *Journal of Economic Perspectives*, Vol. 9 (2), pp. 23-44.

Glitz, A. (2011), "The Labor Market Impact of Immigration: A Quasi-Experiment Exploiting Immigrant Location Rules in Germany", *Journal of Labor Economics*, Vol. 30 (1), pp. 175-213.

Hunt, J. (1992), "The Impact of the 1962 Repatriates from Algeria on the French Labor Market", *Industrial and Labor Relations Review*, Vol. 45 (3), pp. 556-572.

Manacorda, M., A. Manning, and J. Wadsworth (2011), "The Impact of Immigration on the Structure of Male Wages: Theory and Evidence from Britain", *Journal of the European Economic Association*, forthcoming.

Mishra, P. (2007), "Emigration and Wages in Source Countries: Evidence from Mexico", *Journal of Development Economics*, Vol. 82 (1), 180-199.

Okkerse, L. (2008), "How To Measure Labour Market Effects of Immigration: A Review", *Journal of Economic Surveys*, Vol. 22 (1), pp. 1-30.

Ottaviano, G. I. P. and G. Peri (2011), "Rethinking the Effects of Immigration on Wages", *Journal of the European Economic Association*, forthcoming.

Ottaviano, G. I. P. and G. Peri (2008), "Immigration and National Wages: Clarifying the Theory and the Empirics", NBER Working Paper No. 14188.

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Piil Damm, A. (2009), "Ethnic Enclaves and Immigrant Labour Market Outcomes: Quasi-experimental Evidence", *Journal of Labor Economics*, Vol. 27 (2), pp. 281-314.



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Pischke, J.-S. and J. Velling (1997), "Employment Effects of Immigration to Germany: An Analysis Based on Local Labor Markets", *Review of Economics and Statistics*, Vol. 79 (4), pp. 594-604.

Winter-Ebmer, R. and J. Zweimüller (1999), "Do Immigrants Displace Young Native Workers: The Austrian Experience", *Journal of Population Economics*, Vol. 12 (2), pp. 327-340.

The Effect of Immigration on the Industry Structure and Technology

Acemoglu, D. (1998), "Why Do New Technologies Complement Skills? Directed Technical Change and Wage Inequality", *Quarterly Journal of Economics*, Vol. 113 (4), pp. 1055-1089.

Beaudry, P., M. Doms, and E. G. Lewis (2006), "Endogenous Skill Bias in Technology Adoption: City-Level Evidence from the IT Revolution", Federal Reserve Bank of San Francisco Working Paper No. 06-24.

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González, L. and F. Ortega (2011), "How Do Very Open Economies Absorb Large Immigration Flows? Evidence from Spanish Regions", *Labour Economics*, Vol. 18 (1), pp. 57-70.

Hanson, G. H. and M. J. Slaughter (2002), "Labor-market Adjustment in Open Economies: Evidence from US States", *Journal of International Economics*, Vol. 57 (1), pp. 3-29.

Leamer, E. E. and J. Levinsohn (1995), "International Trade Theory: The Evidence", in G. M. Grossman and K. Rogoff (Eds.), *Handbook of International Economics*, Vol. 3, Chapter 26, pp. 1339-1394. Amsterdam: North-Holland.

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Rybczynski, T. M. (1955), "Factor Endowments and Relative Commodity Prices", *Economica*, Vol. 22 (88), pp. 336-341.

The Effect of Immigration on Prices, Housing and Crime

Alonso, C., N. Garoupa, M. Perera, and P. Vazquez (2008), "Immigration and Crime in Spain, 1999-2006", Fedea Working Paper No. 2008-43.

Aoki, Y. and Y. Todo (2009), "Are Immigrants More Likely to Commit Crimes? Evidence from France", *Applied Economic Letters*, Vol 16, pp. 1537-1541.

Bell, B. and S. Machin (2010), "Crime and Immigration: Evidence from Large Immigrant Waves in the UK", unpublished manuscript.

Bianchi, M., P. Buonanno and P. Pinotti (2008), "Immigration and Crime: An Empirical Analysis", Bank of Italy Working Paper No. 698.

Borjas, G. (1999), "Immigration and Welfare Magnets", *Journal of Labor Economics*, Vol. 17 (4), pp. 607-637.

Borjas, G. J., J. Grogger and G. H. Hanson (2006), "Immigration and African-American Employment Opportunities: The Response of Wages, Employment, and Incarceration to Labor Supply Shocks", NBER Working Paper No. 12518.

Butcher, K. and A. Morrison Piehl (1998), "Cross-City Evidence on the Relationship Between Immigration and Crime", *Journal of Policy Analysis and Management*, Vol. 17 (3), pp. 654-679.

Cortes, P. (2008), "The Effect of Low-skilled Immigration on US Prices: Evidence from CPI Data", *Journal of Political Economy*, Vol. 116 (3), pp. 381-422.

Cortes, P. and J. Tessada (2009), "Low-Skilled Immigration and the Labor Supply of Highly Educated Women", Working Paper.

Farré, L., L. González and F. Ortega (2009), "Immigration, Family Responsibilities and the Labor Supply of Skilled Native Women", IZA Discussion Paper No. 4265.

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Borjas, G. J. (1995), "Assimilation and Changes in Cohort Quality Revisited – What Happened to Immigrant Earnings in the 1980s?", *Journal of Labor Economics*, Vol. 13 (2), pp. 201-245.

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Saiz, A. (2007), "Immigration and Housing Rents in American Cities", *Journal of Urban Economics*, Vol. 61 (2), pp. 345-371.

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Immigration and Assimilation

Dustmann, C., A. Glitz and T. Vogel (2010), "Employment, Wages, and the Economic Cycle: Differences between Immigrants and Natives", *European Economic Review*, Vol. 54 (1), pp. 1-17.

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Dustmann, C. and A. van Soest (2001), "Language Fluency and Earnings: Estimation with Misclassified Language Indicators", *Review of Economics and Statistics*, Vol. 83 (4), pp. 663-674.



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Lubotsky, D. (2007), "Chutes or Ladders? A Longitudinal Analysis of Immigrant Earnings", *Journal of Political Economy*, Vol. 115 (5), pp. 820-867.

Immigration and Economic Development

Ashraf, N., Aycinena, D., Martinez, C. and D. Yang (2010), "Remittances and the Problem of Control: A Field Experiment Among Migrants from El Salvador", Mimeo.

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Beine, M., Docquier, F., and H. Rapoport (2001), "Brain Drain and Economic Growth: Theory and Evidence",

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Beine, M., Docquier, F., and H. Rapoport (2008), "Brain Drain and Human Capital Formation in Developing Countries: Winners and Losers", *Economic Journal*, Vol. 118 (528), pp. 631–652.

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Easterly, W. and Y. Nyarko (2010), "Is the Brain Drain Good for Africa?", in *Skilled Immigration Today: Prospects, Problems, and Policies*, edited by J. Bhagwati and G. Hanson.

McKenzie, D. and H. Rapoport (2010), "Can Migration Reduce Educational Attainment? Evidence from Mexico", *Journal of Population Economics*, Vol. 24 (4), pp. 1331-1358.

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Vidal, J.-P. (1998), "The Effect of Emigration on Human Capital Formation", *Journal of Population Economics*, Vol. 11 (4), pp. 589–600.

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Illegal Immigration, Network Effects and Ethnic Segregation

Edin, P. A., P. Fredriksson and O. Aslund (2003), "Ethnic Enclaves and the Economic Success of Immigrants – Evidence from a Natural Experiment", *Quarterly Journal of Economics*, Vol. 118 (1), pp. 329-357.

Angelucci, M. (2007), "U.S. Border Enforcement and the Net Flow of Mexican Illegal Migration", IZA Discussion Paper 1642.

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Attitudes to Immigration

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