

Ph.D Course *The Economics of Migration* Course syllabus

Lecturer

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Course dates: May 2 and 3, 2017;

Instruction time: 12 lessons (45min);

Language of instruction: English;

Consultation: in person on the afternoons of May 2 and 3, otherwise by email

Assessment: course paper (deadline to be announced)

Prerequisites: a solid knowledge of microeconomics and econometrics; international trade and labor economics recommended but not required

About this course

Migration is at the center of the public debate in most Western countries. Although migrants only make up 3% of the world population, their moving is suspected to affect both sending and receiving countries. Economists have started to become interested in studying migration in the late 1970s. What started with a few papers here and there on the economic situation of immigrants in the US has since turned into one of the most vibrant fields in economics. The goal of this course is twofold: 1) familiarize students with the most important theoretical and empirical approaches that are used to study migration; 2) help students to identify fruitful avenues for their own research. In the interest of time, the course will focus on three broad topics in the economics of migration:

1. The impact of immigration on wages, employment and growth.
2. The impact of emigration on the countries of origin (brain drain vs. brain gain), as well as global welfare effects.
3. The assimilation of migrants.

Almost inevitably, this list leaves out many fascinating research topics such as the selection of migrants, the design of migration policies, or the impact of migration on institutions. We will touch upon some of these topics briefly in the course. Students interested in topics that were not covered in the course are encouraged to approach me for advice on readings. It is also possible to write a course paper on a topic not covered in the course (as long as it has to do with migration).

1 Introduction: migration as a global phenomenon

Papers covered in class

Sari Pekkala Kerr and William R. Kerr. Economic impacts of immigration: A survey. *Finnish Economics Papers*, 24(1):1–32, 2011

Çağlar Özden, Christopher R. Parsons, Maurice Schiff, and Terrie L. Walmsley. Where on earth is everybody? the evolution of global bilateral migration 1960-2000. *World Bank Economic Review*, 25(1):12–56, 2011

Quamrul Ashraf and Oded Galor. The out-of-africa hypothesis: Human genetic diversity and comparative economic development. *American Economic Review*, 103(1):1–46, 2013

Bogdan State, Ingmar Weber, and Emilio Zarheni. Studying inter-national mobility through ip geolocation. In *Proceedings of the sixth ACM international conference on Web search and data mining*. ACM, 2013

2 Immigration and the Labor Market

2.1 The Impact on Wages and Employment

Papers covered in class

David Card. The impact of the mariel boatlift on the miami labor market. *Industrial and Labor Relations Review*, 43(2):245–257, 1990

George J. Borjas. The wage impact of the marielitos: A reappraisal. *Industrial and Labor Relations Review*, forthcoming

David Card. Immigrant inflows, native outflows and the labor market impact of higher immigration. *Journal of Labor Economics*, 19(1):22–64, 2001

George J. Borjas. The labor demand curve is downward sloping: Re-examining the impact of immigration on the labor market. *The Quarterly Journal of Economics*, 118(4):1335–1374, 2003

Gianmarco Ottaviano and Giovanni Peri. Rethinking the effects of immigration on wages. *Journal of the European Economic Association*, 10(1):152–197, 2012

Christian Dustmann, Tommaso Frattini, and Ian Preston. The effect of immigration along the distribution of wages. *Review of Economic Studies*, forthcoming, 2012

Christian Dustmann and Ian Preston. Estimating the impact of immigration on wages. *Journal of the European Economic Association*, 10(1):216–223, 2012

Bernt Bratsberg and Oddbjorn Raaum. Immigration and wages: Evidence from construction. *Economic Journal*, forthcoming, 2012

George J. Borjas and Kirk B. Doran. The collapse of the soviet union and the productivity of american mathematicians. *The Quarterly Journal of Economics*, 127(3):1143–1203, 2012

Mette Foged and Giovanni Peri. Immigrants? effect on native workers: New analysis on longitudinal data. *American Economic Journal: Applied Economics*, 8(2):1–34, 2015

George J. Borjas. Native internal migration and the labor market impact of immigration. *The Journal of Human Resources*, XLI(2):221–258, 2006

Patricia Cortés and Jessica Pan. Foreign nurse importation to united states and the supply of native registered nurses. *Journal of Health Economics*, 37:164–180, 2014

Patricia Cortés and Jessica Pan. Outsourcing household production: Foreign domestic workers and native labor supply in hong kong. *Journal of Labor Economics*, 31(2):327–371, 2013

Ethan Lewis. Immigration, skill mix, and capital skill complementarity. *The Quarterly Journal of Economics*, 126:1029–1069, 2011

Gianmarco I. P. Ottaviano, Giovanni Peri, and Greg C. Wright. Immigration, offshoring and american jobs. *American Economic Review*, 103(5):1925–1959, 2013

Christian Dustmann, Uta Schönberg, and Jan Stuhler. Labor supply shocks, native wages, and the adjustment of local employment. *The Quarterly Journal of Economics*, 132(1):435–483, 2017

Christian Dustmann, Uta Schönberg, and Jan Stuhler. The impact of immigration: Why do studies reach such different results? *Journal of Economic Perspectives*, 30(4):31–56, 2016

Abdurrahman Aydemir and George J. Borjas. Attenuation bias in measuring the wage impact of immigration. *Journal of Labor Economics*, 29(1):69–112, 2011

David Card and Giovanni Peri. Immigration economics by george j. borjas: A review essay. *Journal of Economic Literature*, 54(4):1333–1349, 2016

Additional readings

Rachel M. Friedberg. The impact of mass migration on the israeli labor market. *The Quarterly Journal of Economics*, 116(4):1373–1408, 2001

Giovanni Peri and Chad Sparber. Task specialization, immigration and wages. *American Economic Journal: Applied Economics*, 1(3):135–169, 2009

2.2 Immigration and the broader economy

Papers covered in class

William R. Kerr and William F. Lincoln. The supply side of innovation: H-1b visa reforms and us ethnic invention. *Journal of Labor Economics*, 28(3):473–508, 2010

Giovanni Peri, Kevin Shih, and Chad Sparber. Stem workers, h1b visas and productivity in us cities. *Journal of Labor Economics*, 33:S235–S255, 2015

Erik Hornung. Immigration and the diffusion of technology: The huguenot diaspora in prussia. *American Economic Review*, forthcoming, 2013

George J. Borjas. The economic benefits from immigration. *Journal of Economic Perspectives*, 9(2):3–22, 1995

George J. Borjas. Does immigration grease the wheels of the labor market. *Brookings Papers on Economic Activity*, 1:69–119, 2001

Brian C. Cadena and Brian K. Kovak. Immigrants equilibrate local labor markets: Evidence from the great recession. *American Economic Journal: Applied Economics*, 8(1):257–290, 2016

Nathan Nunn, Nancy Qian, and Sandra Sequeira. Migrants and the making of america: The short- and long-run effects of immigration during the age of mass migration. *Harvard University, mimeo*, 2017

Further readings

Jennifer Hunt and Marjolaine Gauthier-Loiselle. How much does immigration boost innovation? *American Economic Journal: Macroeconomics*, 2:31–56, 2010

Ufuk Akcigit, John Grigsby, and Tom Nicholas. Immigration and the rise of american ingenuity. *NBER Working Paper*, 23137, 2017

Brian C. Cadena. Recent immigrants as labor market arbitrageurs: Evidence from the minimum wage. *Journal of Urban Economics*, forthcoming, 2013

Brian C. Cadena. Native competition and low-skilled immigrant inflows. *Journal of Human Resources*, 48(4):910–944, 2013

Giovanni Peri. Immigrants, productivity, and labor markets. *Journal of Economic Perspectives*, 30(4):3–30, 2016

Philipp Ager and Markus Brückner. Cultural diversity and economic growth: Evidence from the us during the age of mass migration. *European Economic Review*, 64:76–97, 2013

Alberto Alesina, Johann Harnoss, and Hillel Rapoport. Birthplace diversity and economic prosperity. *Journal of Economic Growth*, 21(2):101–138, 2016

Ethan G. Lewis. Immigration and production technology. *Annual Review of Economics*, forthcoming, 2013

Louis Putterman and David N. Weil. Post-1500 population flows and the long-run determinants of economic growth and inequality. *The Quarterly Journal of Economics*, 125(4):1627–1682, 2010

Christian Dustmann and Albrecht Glitz. How do industries and firms respond to changes in local labor supply? *Journal of Labor Economics*, 33(3):711–750, 2015

Sebastian Braun and Michael Kvasnicka. Immigration and structural change: Evidence from post-war germany. *Journal of International Economics*, forthcoming, 2014

Konrad B. Burchardi, Thomas Chaney, and Tarek A. Hassan. Migrants, ancestors, and investments. *NBER Working Paper*, 21847, 2016

Saul Lach. Immigration and prices. *Journal of Political Economy*, 115(4):548–567, 2007

Gianmarco I. P. Ottaviano, Giovanni Peri, and Greg C. Wright. Immigration, offshoring and american jobs. *American Economic Review*, 103(5):1925–1959, 2013

3 Migration and Global Welfare

3.1 Brain Drain vs. Brain Gain

Papers covered in class

Herbert B. Grubel and Anthony D. Scott. The international flow of human capital. *The American Economic Review*, 56(1/2):268–274, 1966

Jagdish Bhagwati and Koichi Hamada. The brain drain, international intergration of markets for professionals and unemployment. *Journal of Development Economics*, 1(1):19–42, 1974

Michel Beine, Frédéric Docquier, and Hillel Rapoport. Brain drain and human capital formation in developing countries: Winners and losers. *The Economic Journal*, 118:631–652, 2008

Slesh A. Shrestha. No man left behind: Effects of emigration prospects on educational and labour outcomes of non-migrants. *Economic Journal*, 127(600):495–521, 2017

Michael A. Clemens. Losing our minds? new research directions on skilled migration and development. *International Journal of Manpower*, 37(7):1227–1248, 2016

Further readings

Andrew Mountford. Can a brain drain be good for growth in the source economy? *Journal of Development Economics*, 53:287–303, 1997

Oded Stark, Christian Helmenstein, and Alexia Prskawetz. A brain gain with a brain drain. *Economics Letters*, 55:227–234, 1997

Ajay Agrawal, Devesh Kapur, John McHale, and Alexander Oettl. Brain drain or brain bank? the impact of skilled emigration on poor country innovation. *Journal of Urban Economics*, 69(1):43–55, 2011

Catia Batista, Aitor Lacuesta, and Pedro C. Vicente. Testing the brain gain hypothesis: Micro-evidence from cape verde. *Journal of Development Economics*, 97(1):32–45, 2011

Taryn Dinkelman and Martine Mariotti. The long run effects of labor migration on human capital formation in communities of origin. *American Economic Journal: Applied Economics*, forthcoming, 2016

Frédéric Docquier and Hillel Rapoport. Globalization, brain drain and development. *Journal of Economic Literature*, 50(3):681–730, 2012

Frédéric Docquier and Hillel Rapoport. Quantifying the impact of highly-skilled emigration on developing countries. In Tito Boeri, Herbert Brücker, Frédéric Docquier, and Hillel Rapoport, editors, *Brain Drain*

and *Brain Gain: The Global Competition to Attract High-Skilled Migrants*, chapter II. Oxford University Press, 2012

Prachi Mishra. Emigration and wages in source countries: Evidence from Mexico. *Journal of Development Economics*, 82:180–199, 2007

Benjamin Elsner. Emigration and wages: The EU enlargement experiment. *Journal of International Economics*, 91(1):154–163, 2014

John Gibson and David McKenzie. Eight questions about brain drain. *Journal of Economic Perspectives*, 25(3):107–128, 2011

3.2 Migration and Global Welfare

Papers covered in class

Michael A. Clemens. Economics and emigration: Trillion-dollar bills on the sidewalk? *Journal of Economic Perspectives*, 25(3):83–106, 2011

Michael A. Clemens, Claudio Montenegro, and Lant Pritchett. Bounding the price equivalent of migration barriers. *Review of Economics & Statistics*, forthcoming, 2017

George J. Borjas. Immigration and globalization: A review essay. *Journal of Economic Literature*, forthcoming, 2015

Julian Di Giovanni, Andrei A. Levchenko, and Francesc Ortega. A global view of cross-border migration. *Journal of the European Economic Association*, 13(1):168–202, 2015

John Kennan. Open borders. *Review of Economic Dynamics*, 16(2):L1–L13, 2013

Costanza Biavaschi, Michał Burzyński, Benjamin Elsner, and Joël Machado. The gain from the drain: Skill-biased migration and global welfare. *IZA Discussion Paper*, 10275, 2016

Further readings

Amandine Aubry, Michał Burzyński, and Frédéric Docquier. The welfare impact of global migration in the OECD countries. *Journal of International Economics*, 101:1–21, 2016

Michael A. Clemens. Why do programmers earn more in Houston than Hyderabad? Evidence from randomized processing of US visas. *American Economic Review, Papers & Proceedings*, 3:198–202, 2013

Bob Hamilton and John Whalley. Efficiency and distributional implications of global restrictions on labour mobility: Calculations and policy implications. *Journal of Development Economics*, 14(1-2):61–75, 1984

Paul Klein and Gustavo Ventura. TFP differences and the aggregate effects of labor mobility in the long run. *B.E. Journals in Macroeconomics*, 7(1), 2007

4 Further topics

These are topics not covered in the course. I can provide literature recommendations upon request:

- Migration and the welfare state
- Migration and the family (care, fertility, intermarriage etc)
- The (self-)selection of migrants
- Network effects in global migration
- Migrants in the education system
- Migration as a source of genetic diversity - the *Out-of-Africa* hypothesis

- Migration and voting
- Ethnic networks and trade
- Migration and crime
- The design of migration policies
- Refugee migration

Some people to keep an eye on

This is an alphabetical list of economists that I would consider senior figures in the field. This is by no means complete, and omission does not mean that I think someone is unimportant. Some people, for example David Card, have made seminal contributions in migration but are best known for research in other fields. I also recommend looking at the work done in other disciplines such as history, sociology or demography.

Ran Abramitzky (Stanford)
 Michel Beine (University of Luxembourg)
 George Borjas (Harvard)
 Leah Boustan (UCLA)
 Barry Chiswick (George Washington University)
 Michael Clemens (Center for Global Development)
 Patricia Cortés (Boston University)
 Frédéric Docquier (UC Louvain)
 Christian Dustmann (UCL)
 Giovanni Facchini (University of Nottingham)
 Gordon Hanson (UCSD)
 Tim Hatton (Essex)
 Jenny Hunt (Rutgers)
 John Kennan (University of Wisconsin-Madison)
 William Kerr (Harvard)
 Ethan Lewis (Dartmouth)
 Anna Maria Mayda (Georgetown)
 David McKenzie (Worldbank)
 Francesc Ortega (CUNY)
 Çağlar Özden (Worldbank)
 Giovanni Peri (UC Davis)
 Hillel Rapoport (PSE)
 Mark Rosenzweig (Yale)
 Dean Yang (University of Michigan)

5 Additional references used in the presentation

Timothy J. Bartik. *Who Benefits from State and Local Economic Development Policies?* W.E. Upjohn Institute for Employment Research, Kalamazoo, MI, 1991

Samuel Bazzi and Michael A. Clemens. Blunt instruments: Avoiding common pitfalls in identifying the causes of economic growth. *American Economic Journal: Macroeconomics*, 5(2):152–186, 2013

Olivier J. Blanchard, Lawrence F. Katz, Robert E. Hall, and Barry Eichengreen. Regional evolutions. *Brookings Papers on Economic Activity*, 1:1–75, 1992

George J. Borjas. *We Wanted Workers*. W. W. Norton & Company, 2016

Alex Nowrasteh. The mariel boatlift raised the wages of low-skilled miamians, January 2017. Accessed 30 March 2017

Daniel Treffer. International factor price differences: Leontief was right! *The Journal of Political Economy*, 101(6):961–987, 1993