

## **Topics in the Economics of Migration**

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### **Aim:**

This short course will provide a short overview of the main topics covered in the literature on the economics of migration, and will then consider more deeply the analysis of the economic consequences of immigration for the host country. I will present in class some classical papers in the migration literature as well as the (some of) the most recent developments.

### **Target audience:**

The course may be interesting not only for students with a specific interest on migration issues, but also to everyone with broader interests in labour, international or development economics. Since we will also put some emphasis on methods, the course may be also useful for students doing applied work in other areas.

### **Course structure:**

We will have three 2-hours meetings.

#### *1) The economics of immigration: an introduction*

This lecture will provide an overview of the range of topics covered in the field. We will analyse, primarily from a theoretical perspective the labour market effects of immigration.

#### *2) The labour market effects of immigration: empirical estimates*

This lecture will deal with the different methodologies developed to estimate the causal effect of immigration on the labour market.

#### *3) Other economic consequences of immigration in destination countries*

In the last lecture we will discuss other economic consequences of immigration in destination countries like fiscal effects, changes in output prices, effects on native labour supply, on crime.

### **Preliminary reading list:**

The reading list is intentionally very long, to give the students an opportunity to dig deeper into some of the topics in the area. The lectures will cover in more detail the papers with a \*.

### **Introductory readings and overviews**

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

Borjas, G.J. (1995), "The economic Benefits from Immigration", *Journal of Economic Perspectives*, 9 (2),3-22

Borjas ,G.J. (1999) "The economic analysis of immigration", In: *Handbook of Labor Economics* Vol. 3A, (ed.: O. Ashenfelter and D. Card), pp. 1697-1760, Amsterdam: Elsevier Science.

Borjas ,G.J. (2014), *Immigration Economics*, Princeton University Press

Dustmann, C., Frattini, T. and A. Glitz (2008) "The Labour Market Impact of Immigration", Oxford Review of Economic Policy, vol. 24 no. 3, pp. 477-494.

Friedberg, R.M. and Hunt, J. (1995) "The impact of immigration on host country wages, employment and growth", Journal of Economic Perspectives vol. 9, pp. 23-44

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

### **The labour market impact of immigration:**

\* Altonji, J. G. and Card, D. (1991) "The effects of immigration on the labor market outcomes of less-skilled natives" In Immigration, Trade and Labor, (ed. J.M. Abowd and R. B. Freeman) Chicago: University of Chicago Press.

Aydemir, Abdurrahman and George J. Borjas (2011), "Attenuation Bias in Measuring the Wage Impact of Immigration", *Journal of Labor Economics*, 29(1), 69-112.

Borjas, G.J., Freeman, R.B. and Katz, L. F. (1992) "On the Labor Market Effects of Immigration and Trade," in: Borjas, G.J. and Freeman, R.B., Immigration and the Work Force: Economic Consequences for the United States and Source Areas. Chicago: University of Chicago Press, 213-244.

Borjas, G. J., Freeman, R.B. and Katz, L.F.(1996) "Searching for the effect of immigration on the labor market." American Economic Review, 86 (2), 246-251.

Borjas, G. J., Freeman, R.B. and Katz, L.F. (1997) "How much do immigration and trade affect labor market outcomes?" Brookings Papers on Economic Activity, (1), 1-90.

\* Borjas, G. J. (2003) "The labor demand curve is downward sloping: Reexamining the impact of immigration on the labor market." Quarterly Journal of Economics, 118 (4), 1335-1374

\* Card, D. (1990) "The impact of the Mariel boatlift on the Miami labor-market", Industrial & Labor Relations Review, 43 (2), 245-257.

Card, D. and DiNardo, J. (2000) "Do immigrant inflows lead to native outflows?" American Economic Review, 90 (2), 360-367.

Card, D. (2001) "Immigrant inflows, native outflows and the local labor market impacts of immigration", Journal of Labor Economics, vol. 19, pp. 22-64.

\* Dustmann, C., T. Frattini, and I. Preston (2013). "The Effect of Immigration along the Distribution of Wages", Review of Economic Studies, Volume 80, Issue 1, 145-173.

Dustmann, C. and Preston, I. (2012), "Estimating the Effect of Immigration on Wages", Journal of the European Economic Association, 10(1), 216-223

Friedberg, R. M.(2001) "The impact of mass migration on the Israeli labor market." *Quarterly Journal of Economics*, 116 (4), 1373-1408.

Glitz, Albrecht (2011), "The Labor Market Impact of Immigration: A Quasi-Experiment Exploiting Immigrant Location Rules in Germany", forthcoming *Journal of Labor Economics*.

Grossman, J. B.(1982) "The sustainability of natives and immigrants in production", *Review of Economics and Statistics*, 64 (4), 596-603.

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

\* Manacorda, M., Manning, A. and Wadsworth, J. (2012), 'The impact of immigration on the structure of wages: theory and evidence from Britain', *Journal of the European Economic Association*, vol. 10(1), pp. 120–51.

\* Ottaviano, G. I. P. and Peri, G. (2012), 'Rethinking the effect of immigration on wages', *Journal of the European Economic Association*, vol. 10(1), pp. 152–97.

Peri, Giovanni and Chad Sparber (2009), "Task Specialization, Immigration and Wages", *American Economic Journal: Applied Economics*, 1:3.

### **Other consequences of immigration**

Barrett, A. and McCarthy, Y. (2008), 'Immigrants and welfare programmes: exploring the interactions between immigrant characteristics, immigrant welfare dependence and welfare policy', *Oxford Review of Economic Policy*, vol. 24, pp. 542–59.

Bianchi, M., Buonanno, P. and Pinotti, P. (2012), DO IMMIGRANTS CAUSE CRIME?. *Journal of the European Economic Association*, 10: 1318–1347

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

Cortes, Patricia and Jose Tessada (2011), "Low-Skilled Immigration and the Labor Supply of Highly Educated Women", forthcoming *American Economic Journal: Applied Economics*.

Dustmann, C. Frattini, T. and Halls, C. (2010), "Assessing the Fiscal Costs and Benefits of A8 Migration to the UK", *Fiscal Studies*, vol. 31, no. 1, pp. 1-41.

Dustmann, C. and Frattini, T. (2014), "The Fiscal Effects of Immigration to the UK", *Economic Journal*, forthcoming.

Kerr, W., and W.F. Lincoln (2010), "The Supply Side of Innovation: H-1B Visa Reforms and U.S. Ethnic Invention", *Journal of Labor Economics* 28(3), 473–508.

Lach, S. (2007), "Immigration and Prices", *Journal of Political Economy* 115, 548–587.

Lewis, Ethan (2004), “Local Open Economies within the US: How Do Industries Respond to Immigration”, Federal Reserve Bank of Philadelphia Working Paper No. 04-1.

Lewis, Ethan (2011), “Immigration, Skill Mix, and Capital-Skill Complementarity”, forthcoming Quarterly Journal of Economic.

Sá, F. (2014), Immigration and House Prices in the UK. The Economic Journal. doi: 10.1111/eoj.12158

Preston, I. (2014), ‘The effect of immigration on public finances’, Economic Journal, forthcoming.

Rowthorn, R. (2008), ‘The fiscal impact of immigration on the advanced economies’, Oxford Review of Economic Policy, vol. 24(3), pp. 560–80.

Saiz, A. (2003), “Room in the Kitchen for the Melting Pot: Immigration and Rental Prices”, Review of Economics and Statistics 85(3), 502–521.

Saiz, Albert (2007) “Immigration and Housing Rents in American Cities”, Journal of Urban Economics, Vol.61 (2), 345–371.