

Economics of Immigration

Economics 114-Spring 2007

MWF 12-12:50pm

Solis Hall Rm. 107

Instructor

Prof. Robert Duval-Hernández

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Center for U.S.-Mexican Studies (CUSMS) 105

Office Hours: Tuesdays, 1-3 pm

Teaching Assistants

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Robert MacKay	-----		rmackay@ucsd.edu
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Choon Wang	Tu 11-12:30 & Th 1:30-3pm	Sequoyah 208	lwang@ucsd.edu

Objective

This course is an introduction to the economics of immigration. The focus will be for the most part on immigration in the last decades to the United States (although other countries will be covered as well). This course aims at helping you understand the economic causes of immigration, who are the immigrants that come to the US, what is their economic performance once they arrive, and what is the impact of immigration on the US economy. I will also cover the main immigration policy alternatives being currently discussed and what are their potential economic consequences.

Readings

Required Texts

[Bo] George J. Borjas: *Heaven's Door. Immigration Policy and the American Economy*, Princeton University Press, New Jersey, 2001 **(Required)**

[Han] Gordon Hanson *Why Does Immigration Divide America? Public Finance and Political Opposition to Open Borders*, Institute for International Economics, 2005 **(Required)**

In addition to these two textbooks, we will rely on book chapters, articles from academic journals and newspapers, working papers from research institutions, web-based documents, etc. The textbooks are for sale at the Price Center Bookstore. Most of the additional readings

are in the electronic reserve for the course <http://reserves.ucsd.edu>, otherwise they will be directly available from the internet.

Some of the readings are required, while others are optional but strongly recommended. The optional (but strongly recommended) ones will be covered in class. You will only be required to know what I cover in class about these readings.

I will post my Power Point presentations on my webpage. You should read them too.

Course Webpage <http://econ.ucsd.edu/~rduvalhe/courses/econ114.htm>

Grading

There will be 1 midterm exam and 1 cumulative final exam. In addition to that, there will be 6 in-class quizzes to test your understanding of the reading material, and to encourage you to read in advance and not procrastinate until the exams come. The date of the reading quizzes will not be announced in advance. The lowest quiz grade will be dropped. The distributions of these 3 components will be the following:

Quizzes: 25%

Midterm: 35%

Final: 40%

Course Plan

(*) Required reading

A. Overview of Immigration Trends and Laws

Phillip L. Martin (2004) “The United States: The Continuing Immigration Debate”, in *Controlling Immigration. A Global Perspective*, Cornelius W. et al. (eds.) 2nd Ed. Stanford University Press, **pp. 50-67 (*)**

[Han] Chapter 1 & 2 (*)

World Bank (2006), *Global Economic Prospects. Economic Implications of Remittances and Migration*, **pp. 25-29**

http://econ.worldbank.org/external/default/main?pagePK=64165259&theSitePK=469372&piPK=64165421&menuPK=64166322&entityID=000112742_20051114174928

“American immigration. Dreaming of the other side of the wire” *The Economist*, Mar 10th, 2005. (optional)

J.S. Passel & R. Suro, (2005), “Rise, Peak, and Decline: Trends in U.S. Immigration 1992-2004”, *Pew Hispanic Center Report*, <http://pewhispanic.org/files/reports/53.pdf> (optional)

George J. Borjas (2000) *Labor economics* Boston: Irwin/McGraw-Hill, 3rd Ed. Chapter 9, Section 9-4 (optional)

B. Who Migrates? Skills and Nationality of the Immigrants

[Bo] Chapter 2 & 3 (*)

J.S. Passel & R. Suro, (2005), "Rise, Peak, and Decline: Trends in U.S. Immigration 1992-2004", *Pew Hispanic Center Report*, <http://pewhispanic.org/files/reports/53.pdf> (optional)

George J. Borjas (2000) *Labor economics* Boston: Irwin/McGraw-Hill, 3rd Ed.
Chapter 9, Section 9-5 (optional)

Technical Interlude: Regression Analysis

George J. Borjas (2000) *Labor economics* Boston: Irwin/McGraw-Hill, 3rd Ed.
Appendix to Chapter 1: An Introduction to Regression Analysis (*)

C. Causes of Immigration

George J. Borjas (2000) *Labor economics* Boston: Irwin/McGraw-Hill, 3rd Ed.
Chapter 9, Sections 9-1, 9-3, 9-6. (*)

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

D. Labor Market Impact of Immigration

[Bo] Chapter 4 (*)

David Card (2005), "Is the New Immigration Really so Bad?" *Economic Journal*, Vol. 115, No. 507, Read pp. F300-F316 (optional)

Roger Lowenstein "The Immigration Equation" NY Times Magazine, July 9, 2006 (optional)

E. Economic Benefits of Immigration

[Bo] Chapter 5 (*)

James P. Smith and Barry Edmonston, (1997), *The New Americans: Economic, Demographic, and Fiscal Effects of Immigration*, National Academies Press, Ch. 4, pp.135-146, 151-153 and Conclusions (*), the rest of the chapter is optional.

George J. Borjas (2000) *Labor economics* Boston: Irwin/McGraw-Hill, 3rd Ed.
Chapter 9, Section 9-7 (optional)

F. Public Finance and Immigration

[Bo] Chapter 6 (*)

[Han] Chapter 3 (*)

G. Impact of Migration on Sending Economies

World Bank (2006), *Global Economic Prospects. Economic Implications of Remittances and Migration*, **Ch. 3-5 (*)**

http://econ.worldbank.org/external/default/main?pagePK=64165259&theSitePK=469372&piPK=64165421&menuPK=64166322&entityID=000112742_20051114174928

H. Immigration Policy

Wayne A. Cornelius and T. Tsuda (2004) “Controlling Immigration: The Limits of Government Intervention”, in *Controlling Immigration. A Global Perspective*, Cornelius W. et al. (eds.) 2nd Ed. Stanford University Press, **pp. 2-15 (*)**

Phillip L. Martin (2004) “The United States: The Continuing Immigration Debate”, in *Controlling Immigration. A Global Perspective*, Cornelius W. et al. (eds.) 2nd Ed. Stanford University Press, **pp. 67-84 (*)**

Gordon Hanson (2004) “Commentary”, in *Controlling Immigration. A Global Perspective*, Cornelius W. et al. (eds.) 2nd Ed. Stanford University Press, **pp. 86-90 (*)**

[Bo] Chapters 10 & 11 (*)

[Han] Chapter 5 (*)

Esther Pan, “Q&A: HOMELAND SECURITY: U.S.-Mexico Border Woes”, *New York Times*, February 22, 2006. (optional)

I. Immigration and Public Opinion

[Han] Chapter 4. (*)

Robert J. Blendon, et. al. (2005), “Immigration and the U.S. Economy”, *Challenge* Vol.48, No. 2 pp. 113-132. (*)

H. Economic impact of immigration on European Countries (time allowing)

Brücker H. et.al., (2006) “Economic consequences of immigration in Europe” in *Immigration and the Transformation of Europe*, C. Parsons and Smeeding, T.M. eds., Cambridge University Press, pp. 111-146