

The Economics of Migration

Winter 2020

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Class Meetings: **Tuesday/Thursday 2-3:30pm, RBC 1201**

Note: The syllabus is preliminary and subject to change, so please look for an updated version on the Canvas website.

The goals of the course are to help students (a) *develop and apply analytical skills* used in the study of labor economics and the economics of international migration, and (b) *develop professional skills*, including evaluating research, making presentations, working collaboratively, and completing written projects. By the end of the class, you will have produced an *original written project*.

The course content is challenging. We will be discussing economic theory and academic papers that have extensive amounts of data analysis. Students must read the readings beforehand to keep up in class. Not reading the readings will make it impossible to follow the in-class lecture or participate in the in-class discussion (for which there is a grade).

We will study in detail the consequences of international migration for wages and employment in both sending and receiving countries. Special policy topics including high skilled immigration and undocumented immigration. Other issues (e.g., the politics of immigration and immigration reform, refugees, etc.) receive less attention. We will explore current issues in the reform of immigration policy via in class debates. The focus will be on immigration to the US (from Mexico, India, China, the Philippines and other countries), including the impacts on countries that send immigrants. Yet, there will be a stress on developing analytical skills allowing you to utilize the lessons learned to other contexts (immigration to the UK, Europe, etc.). Students should feel free to suggest topics and I will adapt the syllabus accordingly.

The weekly class meetings will be divided between *traditional lectures*, *discussion-based sessions* in which we debate aspects of proposed U.S. immigration reform, and *student presentations* of various topics, and class projects. Each lecture will first begin with an overview of economic theory before exploring the empirical evidence. There is no final exam for this class.

Each lecture has assigned in-class readings. There are two types of readings: (1) policy briefs, and (2) academic papers. The policy briefs are written for a general audience and should be read in detail. The academic papers are more challenging to absorb – I suggest reading the introductions of the papers to understand what they are about. Try to focus on (a) what is the question the paper is trying to answer, (b) what is the context, (c) what methods are used, and (d) what results do they find.

Requirements

(1) Policy Debates. 3 debates (20% of grade)

From a list of suggested topics, students will be given one week to prepare a presentation on a policy issue. A Powerpoint on the policy position will be presented. The debate will highlight knowledge of (a) economic theory, and (b) the literature on empirical findings. Extra points for showing any data analysis.

(2) Individual Project.

Powerpoint on Project Proposal Outline, Jan 30. (5% of grade)

Powerpoint on Project Design, Feb 20. (5% of grade)

Final Project presentations, March 10-12. (10% of grade)

Final paper, due March 21. (50% of grade)

This is the main output of the class. The output from this project will be a 10-15 page document that is essentially one (or a collection of) theoretical and/or empirical exercise(s) It could be in the format of a short paper, or a collection of policy briefs, articles or blogs. In total, they should add up to 15 pages. One possible format is a paper (introduction, research question, how it fits in the literature, research methodology, data description, analysis, discussion of results). There is no requirement to perform any sophisticated data analysis. Simple tabulations and graphs will suffice. These paper(s) /articles may be the extension of a project from another course. In which case I will strictly be evaluating you on your “value added” over your earlier project. This “value added” (better analysis, new data) must be substantial to warrant a good grade.

(3) Class Participation. (10% of grade)

Students will be evaluated on the basis of the participation in class discussions as part of the lecture components of class. To prepare complete assigned readings before class.

I. Immigration: Historical Background and Policy Frameworks (1/7)

Lecture

- **Overview of literature and course content.**
- Wasem, Ruth Ellen. 2012. "Permanent Legal Immigration to the U.S.: Policy Overview." Congressional Research Service. <http://www.fas.org/sgp/crs/homsec/R42866.pdf>
- "A Nation of Immigrants." Pew Hispanic Center, January 2013. <http://www.pewhispanic.org/2013/01/29/a-nation-of-immigrants/>
- "A Statistical Portrait of the Foreign Born Population in the United States." Pew Hispanic Center (current year).
- Long Reads:
 - Human Development Report 2009: Overcoming Barriers: Human Mobility and development, UN, Washington DC 2009. http://hdr.undp.org/sites/default/files/reports/269/hdr_2009_en_complete.pdf
 - Pritchett Lant (2006) "Let Their People Come" Center for Global Development, Washington DC. <https://www.cgdev.org/sites/default/files/9781933286105-Pritchett-let-their-people-come.pdf>
- Useful web resources:
 - "A Brief Timeline of U.S. Policy on Immigration and Naturalization."
 - "A Portrait of US Immigrants." Pew Hispanic Center, 2013. http://www.pewhispanic.org/2013/02/15/u-s-immigration-trends/ph_13-01-23_ss_immigration_01_title/
 - Other useful websites: DHS (<http://www.dhs.gov/immigration-statistics>), Pew Hispanic Center (<http://www.pewhispanic.org/>), Migration Policy Institute (<http://www.migrationpolicy.org/>).

II. The Decision to Migrate, Return, and Invest in Human Capital (1/9)

In Class Discussion

- Dean Yang. 2006. Why Do Migrants Return to Poor Countries? Evidence from Philippine Migrants' Responses to Exchange Rate Shocks, Review of Economics and Statistics, Vol. 88
https://sites.lsa.umich.edu/deanyang/wp-content/uploads/sites/205/2014/12/yang_returnmig.pdf
- Shreshta, Slesh. 2015. "No Man Left Behind: Effects of Emigration Prospects on Educational and Labor Outcomes of Non-migrants", *Economic Journal*
http://staffpages.nus.edu.sg/fas/ecssas/Home_files/NoManLeftBehind_Shrestha_June2015.pdf
- Khanna, Shih, Weinberg, Xu, Yu, 2019. "Trade Shocks and Chinese Students in US Higher Education."

III. Consequences of Immigration: Theory Part I (1/14)

Lecture

- Classroom discussion on theory: supply, demand, surplus

- Hanson, Gordon. 2009. “The Economic Consequences of the International Migration of Labor.” *Annual Review of Economics*, 1: 179-208.
<http://www.nber.org/papers/w14490.pdf>
- Advanced Reading:
 - Borjas, George. 1999. “The Economic Analysis of Immigration” *Handbook of Labor Economics*.
<https://sites.hks.harvard.edu/fs/gborjas/publications/journal/Handbook1999.pdf>

IV. Consequences of Immigration: Theory Part II (1/16)

Lecture

- Classroom discussion on theory: supply, demand, surplus
- Borjas, George. 2014. “Immigration and Globalization: A Review Essay.” *Journal of Economic Literature*.
<http://www.hks.harvard.edu/fs/gborjas/publications/journal/JEL2015.pdf>

V. Labor Market Consequences of Immigration: Empirics (1/21)

In Class Discussion – read readings in following order:

- Card, David. 1990. “The Impact of the Mariel Boatlift on the Miami Labor Market” *Industrial and Labor Relations Review*, Vol. 43, No. 2.
<http://davidcard.berkeley.edu/papers/mariel-impact.pdf>
- Borjas, George. 2003. “The Labor Demand Curve is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market” *Quarterly Journal of Economics*
<http://www.nber.org/papers/w9755.pdf>
- Clemens, Michael A., Ethan G. Lewis, Hannah M. Postel. 2017. “Immigration Restrictions as Active Labor Market Policy: Evidence from the Mexican Bracero Exclusion.” Center for Global Development
<http://www.nber.org/papers/w23125>
- Aydemir, Abdurrahman and George Borjas “Cross Country Variation in the Impact of International Migration: Canada, Mexico and the United States” *Journal of the European Economic Association* (June 2007), 5(4):633-708

VI. Climate, Pollution and Migration (1/23)

In Class Discussion

- Jessoe, Manning, and Taylor 2014. “Climate Change and Labor Markets in Rural Mexico: Evidence from Annual Fluctuations in Weather” *The Economic Journal*, 128 (February), 230–26
<https://onlinelibrary.wiley.com/doi/epdf/10.1111/ecoj.12448>
- Bohra-Mishra, Oppenheimer, and Hsiang. 2014 “Nonlinear permanent migration response to climatic variations but minimal response to disasters” *PNAS*, 2014 111 (27)
<http://www.pnas.org/content/111/27/9780>
- Khanna, Liang, Mobarak and Song. 2019. “Productivity Consequences of Pollution-induced Migration in China”

VII. Global Talent and STEM (1/28)

Lecture+In Class Discussion

- Hanson, Gordon, and Matthew Slaughter. 2013. "Talent, Immigration and U.S. Economic Competitiveness." Compete America Coalition.
<http://irps.ucsd.edu/assets/001/504703.pdf>
- Giovanni Peri & Kevin Shih & Chad Sparber, 2015. "STEM Workers, H-1B Visas, and Productivity in US Cities," Journal of Labor Economics
<http://giovanniperi.ucdavis.edu/uploads/5/6/8/2/56826033/stem-workers.pdf>
- Advanced Reading (only try introduction):
 - Khanna, Gaurav and Morales, Nicolas. 2017. "The IT Boom and Other Unintended Consequences of Chasing the American Dream".
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2968147

VIII. Project Presentations I: The Proposal (1/30)

- Each student will prepare and present a Powerpoint that proposes the question they will examine, the contribution to the literature, and the lessons they hope to learn. Students may present more than one idea if they are uncertain. Feasibility of the project, in terms of data availability will be important.

IX. Impacts on Prices and Fiscal Costs (2/4)

In Class Discussion

- Cortes, Patricia (2008) "The Effect of Low-Skilled Immigration on U.S. Prices: Evidence from CPI Data." Journal of Political Economy
http://www.jstor.org/stable/10.1086/589756?seq=1#page_scan_tab_contents
- Saiz, Albert, 2007. "Immigration and housing rents in American cities," Journal of Urban Economics, Elsevier, vol. 61(2)
<http://ftp.iza.org/dp2189.pdf>
- Alan J. Auerbach & Philip Oreopoulos, 1999. "Generational Accounting and Immigration in the United States," NBER Working Papers 7041
<http://www.nber.org/papers/w6734>
- Razin, Assaf & Sadka, Efraim & Swagel, Phillip, 2002. "Tax burden and migration: a political economy theory and evidence," Journal of Public Economics, Elsevier
<http://www.nber.org/papers/w6734>

X. Policy Debate I: The Impacts of Immigration (2/6)

Assigned groups will be giving topics to debate about. Groups will cover labor market impacts, and non-labor market impacts.

XI. Immigration and Innovation (2/11)

In Class Discussion

- Kerr, William R., and William 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. http://www.people.hbs.edu/wkerr/Kerr_LincolnJOLE10_H1B.pdf
- Moser, Petra, Alessandra Voena, and Fabian Waldinger. 2013. "German-Jewish Emigres and U.S. Invention." *American Economic Review*. <https://www.aeaweb.org/articles.php?doi=10.1257/aer.104.10.3222>
- Borjas, George, and Kirk Doran. 2014. "How High-Skilled Immigration Affects Science: Evidence from the Collapse of the Soviet Union." *Innovation Policy and the Economy*, forthcoming. <http://www.hks.harvard.edu/fs/gborjas/publications/journal/IPE2014.pdf>

XII. Policy Debate II: The Impacts of Immigration (2/13)

Assigned groups will be giving topics to debate about. Groups will cover labor market impacts, and non-labor market impacts.

XIII. International Student Flows (2/18)

Lecture+In Class Discussion

- Bound, John, Breno Braga, Gaurav Khanna and Sarah Turner. 2017. "A Passage to America: University Funding and International Students." (forthcoming, *American Economic Journal: Economic Policy*) <http://www.nber.org/papers/w22981>
- Shih, Kevin. 2017. "Do International Students Crowd-Out or Cross-Subsidize Americans in Higher Education?" *Journal of Public Economics* http://kevinshih.weebly.com/uploads/5/5/8/7/5587146/shih_crowdcross_2017.pdf

XIV. Project Presentation II: Approach, Arguments and Results (2/20)

Each student will prepare and present Powerpoint that discusses implementation of their project. Preliminary writeups are welcome, but not necessary.

Based on student progress, this class may be converted into one-on-one office hour sessions with me, so as to provide more directed feedback.

XV. Undocumented Immigration: Overview and Border Enforcement (2/25)

In Class Discussion

- Passel, Jeffrey, D’Vera Cohn, and Molly Rohal. "Unauthorized Immigrant Totals Rise in 7 States, Fall in 14." Pew Hispanic Center, November 2014. <http://www.pewhispanic.org/2014/11/18/unauthorized-immigrant-totals-rise-in-7-states-fall-in-14/>
- Alden, Edward, Bryan Roberts, and John Whitley. 2013. "Managing Illegal Immigration to the United States: How Effective Is Enforcement?" and Appendix. Council on Foreign Relations Special Report. <http://www.cfr.org/immigration/managing-illegal-immigration-united-states/p30658>
- Passel, Jeffrey, and D’Vera Cohn "Size of the US Unauthorized Immigrant Workforce Stable After the Great Recession" Pew Research Center
- Angelucci, Manuela "US Border Enforcement and the Net Flow of Mexican Illegal Migration" *Economic Development and Cultural Change*, 60(2) January 2012

XVI. Policy Debate III: Effect of Immigration on the Broader Economy (2/27)

In the last debate we focused on wages and employment. Now we debate the impact of immigration on prices (consumer prices and housing rent), fiscal burden and taxes, innovation, productivity and growth.

XVII. Impacts on Sending Countries (3/3)

In Class Discussion

- Dean Yang (2008) “International Migration, Remittances, and Household Investment: Evidence from Philippine Migrants' Exchange Rate Shocks” *The Economic Journal*
<http://www.nber.org/papers/w12325.pdf>
- Khanna, Theoharides and Yang. 2019. “Abundance from Abroad”

XVIII. Immigration and Crime (3/5)

In Class Discussion

- Pinotti, Paolo “Clicking on Heaven’s Door: The Effect of Immigration Legalization on Crime” *American Economic Review* 2017, 107(1)
<https://www.aeaweb.org/articles?id=10.1257/aer.20150355>
- Landgrave, Michelangelo and Nowrasteh, Alex “Criminal Immigrants: Their Numbers, Demographics and Countries of Origin” *Cato Institute* (March 15, 2017), Number 1
<https://www.cato.org/publications/immigration-reform-bulletin/criminal-immigrants-their-numbers-demographics-countries>
- Borjas, George, Jeffrey Grogger and Gordon Hanson “Immigration and Economic Status of African-American Men”
https://gps.ucsd.edu/files/faculty/hanson/hanson_publication_immigration_men.pdf

XIX. Project Presentation IV (part 1): Final Presentations (3/10)

Students will present their final project paper. Note, that this means you should have your results by March 11th at the latest, so that you can prepare your slides. You will be evaluated on the content of the slides, but also on presentation style. It is good practice to master how to make good presentations as most of you will have to do so in your future careers.

XX. Project Presentation IV (part 2): Final Presentations (3/12)