

## **Syllabus, Luca d'Agliano Summer School on International Migration and Outsourcing, Summer 2009**

*(provisional, April 2009)*

### **International Migrations, by Giovanni Peri**

The goal of these lectures is to present the students with the most recent evolutions of the analysis of determinant and effects of international migrations. We will present some theories always with an eye to their empirical tests and a lot of empirical analysis. In particular we combine a literature that is typically analyzed in international economics, relative to the determinants of migration and one typically taught in labor economic courses on the economic effects of immigration in rich countries. The reading with asterisks are the most important to understand the material presented in the lectures\). I may add more background readings later. Here is the outline:

#### **1) Economic determinants of international Migration (2 Lectures):**

- a. Introduction: Some facts and tendencies. The irresistible forces of international migration: Wage differentials, demographic differentials, Changing productive structure

Readings: Pritchett (2006)\*\* ; Freeman (2006)

- b. Migration as Factor Movement (McLaren John 2009)

Readings: McLaren (2009) \*\*

- c. Migration as Optimal Location Choice and determinants of migration:
  - i. Selection of migrants: the Roy-Borjas Model
  - ii. Size of migration flows: justifying a pseudo-gravity equation for migrations.

Readings: Borjas (1987); Grogger and Hanson (2008)\*\*; Ortega and Peri (2009)\*\*; Mayda (2009)

#### **2) Effects of Immigration on the receiving Economy (3 lectures):**

- a. Effects on Labor Markets: Employment and Wages.
  - i. National or Local?
  - ii. Is there any wage effect? The substitution-complementarities debate

Readings: Card (2007); Borjas (2003); Card (2009)\*\*; Borjas and Katz (2007)\*\*; Ottaviano and Peri (2008)\*\*

- b. Effects on prices, productivity and Investments

Readings: Cortes (2008)\*\*; Peri, (2008)

- c. Highly skilled immigration and innovation, entrepreneurship, knowledge diffusion

Readings: Hunt-Gauthier (2008); Kerr and Lincoln (2008)\*\*

### **3) Migration and Outsourcing in the international division of Labor (1 Lecture)**

- a. Migration and Skills
- b. Trading and outsourcing Tasks

Readings: Peri and Sparber, (2009)\*\* Grossman and Rossi-Hansberg, (2008)\*\*

#### **References:**

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

Borjas, George. 2003. The Labor Demand Curve is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market. *Quarterly Journal of Economics* 118, no. 4: 1335-1374.

Borjas, George, and Lawrence Katz. (2007). The Evolution of the Mexican-Born Workforce in the United States, in Borjas, George, editor "Mexican Immigration to the United States" National Bureau of Economic Research Conference Report, Cambridge Ma.

Card, David. 2007. How Immigration Affects U.S. Cities. CReAM Discussion Paper, no. 11/07.

Card David (2009) "Immigration and Inequality" NBER working paper #14683, Cambridge, Ma.

Cortes, Patricia (2008) "The Effect of Low-Skilled Immigration on U.S. Prices: Evidence from CPI Data." *Journal of Political Economy*, 2008, vol. 116, no. 3. pp.381-422.

Richard B. Freeman (2006) "People Flows in Globalization" NBER Working Paper #12315, Cambridge Ma.

Grogger Jeffrey and Gordon Hanson (2008) "Income Maximization and the Sorting of Emigrants across Destinations" National Bureau of Economic Research Working Paper #13821, Cambridge, Ma.

Grossman, Gene and Esteban Rossi-Hansberg (2008) "Trading Tasks: A Simple Theory of Offshoring." *American Economic Review*, 98 (5), pp. 1978-1997.

J. Hunt and M. Gauthier-Lauselle (2008) "How Much Does Immigration Boost Innovation?" NBER Working Paper 14312

Kerr W. and W. F. Lincoln (2008) "The Supply-Side of Innovation: H1B Visa reform and US Ethnic Invention" mimeo Harvard Business School.

McLaren John (2009) "Should we Build a Border fence?" Manuscript, University of Virginia. Draft for Chapter 12 of a new book on International Trade.

Ortega F. and G. Peri (2009) "The Causes and Effects of International Mobility: Evidence from OECD Countries 1980-2005" Human Development Research Paper series, April 2009.

Ottaviano Gianmarco I.P. and Giovanni Peri (2008) "Immigration and National Wages: Clarifying the Theory and the Empirics" National Bureau of Economic Research Working Paper #14188, July 2008.

Peri, Giovanni (2008) "Immigration Accounting: U.S. States 1960-2006" CReAM Working paper # 04/08.

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

Pritchett Lant (2006) "Let Their People Come" Center for Global Development, Washington DC.