

## **ECON 3248 Migration & Development Midterm Review Sheet**    *Last update March 12<sup>th</sup> 2018*

**Midterm:** March Monday March 19<sup>th</sup>    see also our [ECON 3248 webpage](#) especially for videos

Ghana President [Nana Addo Dankwa Akufo-Addo makes a statement on immigration to Europe](#) (while thanking the French Taxpayer...) start at 2 minutes listen 19<sup>th</sup> century European History....what do his comments implicitly recognize ( [Collier, 2013 page 247](#)) discusses Mali for example “build a Ghana beyond Aid...” minute 8-9 minute)  
\*Mali’s population age 15-64 increased from 7M in 2008 to 7.9M in 2012 and is expected to reach 9.2M in 2017 (according to the WB, WDI) net migration out of Mali 303k in 2012 ([See the WDI interactive](#)) & Table W-1 below.

**Three topic pages for the midterm:** [Migration and Development Theories](#) (NEM is now NELM)  
[Northern Triangle Migration](#)    [Refugees in the United States and Europe](#)    v2?

**Lecture Notes covered on midterm:** [Notes on 2<sup>nd</sup> Generation Migrants](#)    [ECON 3248: Introduction](#)  
Notes on Betts and Collier, [Rethinking refugee policy](#) (Cubans are/were refugees) The New York Compact    [Migration & Climate Change](#)

**Topics for Midterm:** Refugees in the U.S. and EU, Refugees in Africa and Asia? California’s immigration system; the New York Compact (so far), Theories of immigration (so far); Mexico-U.S. Migration? U.S. Immigration Reform (save for April?)

**Text readings covered by midterm:** Betts and Collier, Chapter 2 (part), Chapter 4-6. See Volume 30 of the Journal of Economics Perspectives (JEP) [Symposium: Immigration And Labor Markets](#), Fall 2016

Dustmann, Christian, Uta Schönberg, and Jan Stuhler. 2016. "The Impact of Immigration: [Why Do Studies Reach Such Different Results?](#)" *JEP* 30(4):31-56. [downgrading, national skill cell, spatial mixed studies, see Hausmann Albania study for influence of Dustman, Peri, 2016 argues downgrading is primarily an EU phenomenon.

Hanson, Gordon, and Craig McIntosh. "[Is the Mediterranean the New Rio Grande? US and EU immigration pressures in the long run.](#)" *JEP* 30, no. 4 (2016): 57-82. Notes: Europe now faces a different immigration challenge than the U.S. <https://pubs.aeaweb.org/doi/pdf/10.1257/jep.30.4.57>

*Kerr, Sari Pekkala, William Kerr, Çağlar Özden, and Christopher Parsons. "[Global talent flows.](#)" *JEP* 30, no. 4 (2016): 83-106. [With highlights](#) (GSC 35)*

Peri, Giovanni. "[Immigrants, productivity, and labor markets.](#)" *JEP* 30, no. 4 (2016): 3-30. ([GSC 37](#))

**Midterm Review:** sample short essay questions. The midterm will have three parts: Part I will short answer questions (30 minutes), Part II will be longer essays including and Part III will be a brief essay related to your case study You will have these questions in advance can bring neatly typed references and quotes and/or Figures related to the posted questions.

**Part I: Terms for review:** [1951 Refugee Convention](#), UNCHR [Non-Refoulement](#), Turkish, French and Russian Pogroms, a U.S. Pogroms (page 97 of Betts and Collier, a terrible word, don’t look it up...) the Demographic Transition (Lewis Turning point(s) in Mexico and the U.S.) downgrading, mega-cities, refugee vs. asylum seeker, 1967 Protocol, UNCHR in 1950, EB-5 Visas, DACA, H-2B visas, STEM PhDs (see Peri, 2016), Who [needs and gets a Schengen Visa?](#)

**Part II: Sample short answer questions (too long for an exam, will edit and post new version before):**

SA-1 The economic impact of immigration on high income countries is a subject of some controversy subject. Very competent economists come to very different conclusions regarding the economic impact of same migration (the Mariel boatlift for example). A) Briefly why is the mariel boatlift a “natural experiment” B) Dustman et al (2016) try to explain these different findings by dividing immigration inflow studies into three groups: national skill-cell approach (see Borjas, 2003); a pure spatial approach (i.e. Altonji and Card, 1991) and ”mixed approaches. See the highlighted sections of [Dustman et al. 2016](#) C) To be fair, not much is at stake in this debate, in his abstract Borjas (2017) argues “The evidence consistently indicates that the race-adjusted low-skill wage in Miami fell significantly relative to the wage in other labor markets shortly after 1980 before *fully recovering* in 1990.”

SA-2 In 1960 Puerto Rico was poor that the four largest countries in Latin America ([see Figure P-4](#)) with an average income 1/3 that of the United States mainland. By 2010 its income rose to nearly 70% of U.S. income, double that of the richest Latin American nations (Chile, Brazil, Argentina, Mexico, Uruguay). How has migration (not immigration!) helping Puerto Rico develop and cope with its fiscal crisis (debt problems) and its recent natural disasters (several Hurricanes). To make midterm review easier, articles relevant to refugees in New York and other advanced nations are being rolled off this calendar into separate pages (see above). Compare Puerto Rico’s ongoing immigration with Albanian immigration from Greece during the economic crisis? D) Collier might argue Puerto Rico is losing its best students/future workers, Amanda for example. [see this NY Times story, can you access it fully?](#) What does Amanda’s story indicate about Puerto Rico’s advantage over most Latin American countries? Does Amanda plan to return? What is advantage of being a U.S. citizen? What did Tulane do what NYU did not? Why is this a problem for Puerto Rico over the longer term? Has free access to jobs and schools in the U.S. prevented Puerto Rico led the IMF to classify Puerto Rico as the only LatAm “advanced economy” Why?

SA-3 The Mariel Boatlift (methodology issues) has become one of the most famous “natural experiments in economics (see the [Wall Street Journal](#) Saturday Essay and Planet Money Podcast). A) What was the approach of Card and Peri to assessing the impact of the sudden arrival of 120,000 Cubans in Miami? B) Are there parallels with recent refugees surges, why or why not? Why did Miami welcome these refugees (as it welcomes Puerto Ricans to Orlando). What do these refugee surges suggest about the role of cities and existing immigrant communities in welcoming new migrants (as with Bantus in the Mohawk valley). C) The best study of we have of the cost of refugees is Evans and Fitzgerald, 2017, [NBER WP 23498](#)

SA-4 Discuss the New Economics of Labor Migration (NELM). Is it that new? What discovery by the World Bank and development economists brought the NELM into the spotlight? Why don’t remittances make sense from an economics point of view? Relate NELM to climate related migration... why is climate refugees a good/bad term?

SA-5 A) What is Borjas definition of assimilation? How does this differ from common usage of term in Sociology? Why has integration become preferred over assimilation by many social scientists? Angela Merkel is famous for saying early in her term “Multi-culturalism” is a failure, what did she mean? How has Germany changed its approach to the most recent wave of immigrants (refugees)? Why was Germany willing to accept over a million refugees? Compare this to the 1990s when millions of refugees came to the United States? Were the population share of new immigrants similar? In what sense was/is Germany’s strategy better? In what sense was the U.S. strategy better (see Gordon Hanson, Immigration and Human Rights)

SA-6 For better or worse, when large numbers of immigrants enter cities (like New York or London) natives (non-immigrants) move out? Why is this (Card calls these peer effects)? Why do most large cities

in the U.S. continue to welcome immigrants (are there any that don't?). B) What is the famous tipping point that helped Thomas C. Schelling earn the 1972 Nobel Prize?

SA-7 How does Hausmann and Nedelkoska's 2018 study of Albanian return migration acknowledge the arguments of Dustman et al 2016 (there JEP article). What does Peri, 20?? say about "downgrading"?

SA-8 What do Betts and Collier (2017) argue is wrong with the current humanitarian (UNHCR and IOM) approach to refugees? Compare Germany's current effort to integrate workers from Syria and North Africa with its earlier experience with Turkish immigrants? What is the advantage of "multi-culturalism" and what is the disadvantage? Why do sophisticated industrial economies like those of Japan and Germany need immigrants?

Save for the Final exam (this depends on the final date, as discussed a

FSA-1 Discuss the Lewis Turning point in China using the WSJ? Why has migration reversed? What are the implications of this turning point for China and the world? When did the U.S. reach its Lewis turning point (points in this case). (hint: compare the rural share of U.S. in the 1930s to the share in China today).

FSA-2 High Skilled immigration into Israel from Russia: *The model therefore helps explain what is shown Figure 1 for the Israeli episode: a rise in income inequality between 1990 and 2003, which is a combination of declining market income inequality and a more than offsetting fall in redistribution. The influx of high skilled immigrants can explain both: A rising middle class and a rebalanced political economy-based income redistribution policy.* Razin, 2018, p. 40

**More on immigration's effect on less educated U.S. workers see Hunt, 1012 and 2017:** Abstract How does immigration affect the educational attainment of natives? *Using a state panel based on census data from 1940-2010, I examine the impact of immigration on the high school completion of natives in the United States. Immigrant children could compete for schooling resources with native children, lowering the return to native education and discouraging native high school completion. Conversely, native children might be encouraged to complete high school in order to avoid competing with immigrant high-school dropouts in the labor market. I find evidence that both channels are operative and that the net effect is positive, particularly for native-born blacks, though not for native-born Hispanics. An increase of one percentage point in the share of immigrants in the population aged 11-64 increases the probability that natives aged 11-17 eventually complete 12 years of schooling by 0.3 percentage points, and increases the probability for native-born blacks by 0.4 percentage points. I account for the endogeneity of immigrant flows by using instruments based on 1940 settlement patterns.*

Problems with the argument of Betts and Collier (see Borjas, "we wanted workers...")

□ **1. Betts and Collier focus on adults, not children**, for example Sadia, they lose the most from remaining in camps, they gain the most from migration, see literature on the 2<sup>nd</sup> Generation, Vietnam, U.S. immigrants: 1.5 2<sup>nd</sup> generation immigrants generally outperform natives...

□ **2. Most studies find the long term (20 years)** (see Evans, William and D. Fitzgerald, 2017 The Economic and Social Outcomes of Refugees in the United States: Evidence from the ACS ([NBER Digest](#) and see also [Working Paper No. 23498](#)),

□ **3. Just** because European (German) integration of Germans failed in the past (temporary workers from Turkey does not mean it will fail in the future. Germany has shortage of workers (and children) and a very [effective system of training and integration workers](#). This system was not used with Turkish immigration,

see [Dustmann, Christian, Bernd Fitzenberger, Uta Schönberg, and Alexandra Spitz-Oener. 2014. "From Sick Man of Europe to Economic Superstar: Germany's Resurgent Economy." \*Journal of Economic Perspectives\*, 28\(1\): 167-88.](#)

□ **4. Damage due to Brain Drain overstated, *the potential benefits of return migration (India, Somalia, Ethiopia, Mexico?) are underestimated... skilled immigrants will return if opportunities present themselves. Remittances are a "lifeline" for many left behind...***

□ **5. Diversity undermines social capital in the short run, but "birthplace diversity"**

**Where Betts and Collier are correct**

□ **5. Populist Backlash, most recently in Italy, how can this be prevented? 3<sup>rd</sup> countries**

□ **6. UNCHR agrees with B&C, 2017, Camps do not work, Uganda (Rwanda?) Chiapas are better models, promote development in neighboring countries, Replace 61% with 91%**

□ **7. The New York Declaration and the**

These are not required readings, they are references, you can print and bring them with you to the exam...be sure the four 2016 JEP articles are here...

## References

Borjas, George J. (2003) "[The Labor Demand Curve is Downward Sloping](#): Reexamining the Impact of Immigration on the Labor Market." *Quarterly Journal of Economics* 118(4): 1335–74. (2150 GSCs)

Borjas, George (2017) Still More On Mariel: The Role of Race, [NBER Working Paper 23504](#), June.

Altonji, Joseph G., and David Card (1991) "The Effects of Immigration on the Labor Market Outcomes of Less-skilled Natives." [In Immigration, Trade and the Labor Market](#), edited by John M. Abowd and Richard B. Freeman, pp. 201–234. University of Chicago Press. (1170 GSCs)

Card, David (2007) "How Immigration Affects U.S. Cities." CReAM Discussion Paper 711, Centre for Research and Analysis of Migration (CReAM), Dept of Economics, Univ College London.

Card, David. (2001) "[Immigrant inflows, native outflows](#), and the local labor market impacts of higher immigration." *Journal of Labor Economics* 19, no. 1 (2001): 22-64 (1660 GSCs)

Clemens, Michael A., and Jennifer Hunt. [The labor market effects of refugee waves](#): Reconciling conflicting results. No. w23433. National Bureau of Economic Research, 2017.

Economist, 2017, [A new paper rekindles a tiresome debate on immigration and wages, June 12th](#) free Exchange blog entry by W.A.

Evans, William N and Daniel Fitzgerald (2017) [The Economic and Social Outcomes of Refugees in the United States: Evidence from the ACS](#) (NBER [WP No. 23498](#))

U.S. HHS (2017) New York Times, September 18<sup>th</sup> 2017 [Trump Administration Rejects Study Showing Positive Impact of Refugees](#) but provides pdf of the rejected [report document](#)

Hausmann, Ricardo, and Ljubica Nedelkoska. "[Welcome home in a crisis: Effects of return migration](#) on the non-migrants' wages and employment." *European Economic Review* 101 (2018): 101-132.

Jennifer Hunt, 2017. "[The Impact of Immigration on the Educational Attainment of Natives](#)," *Journal of Human Resources*, vol 52(4), pages 1060-1118.

Iannelli, Jerry (2017) [White House Uses Debunked Mariel Boatlift Study to Propose Immigration Crackdown](#), The Miami New Times, August 3<sup>rd</sup> 2018

Leubsdorf, Ben (2017) [The Great Mariel Boatlift Debate: Does Immigration Lower Wages?](#), Saturday Essay, Wall Street Journal, June 16<sup>th</sup> 2017. <https://www.wsj.com/articles/the-great-mariel-boatlift-experiment-1497630468>

Orozco, Manuel and Julie Yansura (2013) Keeping the Lifeline Open: Remittances and markets in Somalia, [Briefing paper, 978-1-78077-383-4 Oxfam](#) America, Adeso and the Inter-American Dialogue

Hartman, Susan (2014) A New Life for Refugees, and the City They Adopted (Utica!) [NY Times](#), Aug 10<sup>th</sup> 2014

Lopez-Ekra, Sylvia, Christine Aghazarm, Henriette Kötter, and Blandine Mollard. "The impact of remittances on gender roles and opportunities for children in recipient families: [Research from the International Organization for Migration](#)." *Gender & Development* 19, no. 1 (2011): 69-80.

Mann, Brian (2016) Utica, N.Y., [Which Welcomes Refugees, Monitors Trump's Muslim Comments](#) Nov 22, 2016 5:09 AM ET Heard on Morning Edition

IMF WEO page 172 (chapter 4, 2016 October WEO) [Source IMF WEO October 2016, Chapter 4, Immigration brings Economic Benefits](#) has link to chapter 4.

The Massey et al. 1993 paper on Migration [theory is here now, read to 436 to 439 on NEM](#).

Dustmann, Christian, Uta Schönberg, and Jan Stuhler. 2016. "The Impact of Immigration: Why Do Studies Reach Such Different Results?" *Journal of Economic Perspectives*, 30(4): 31-56. <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.30.4.31> [Technical Appendix](#)

Card, David. 1990. "The Impact of the Mariel Boatlift on the Miami Labor Market." *Industrial and Labor Relations Review* 43(2): 245–57.

Card, David. 2001. "Immigrant Inflows, Native Outflows, and the Local Labor Market Impacts of Higher Immigration." *Journal of Labor Economics* 19(1): 22–64.

Card, David. 2007. "How Immigration Affects U.S. Cities." CReAM Discussion Paper 711, Centre for Research and Analysis of Migration (CReAM), Department of Economics, University College London.

Card, David. 2009. "Immigration and Inequality." *American Economic Review* 99(2): 1–21.

Ortega, Francesc, Ryan D. Edwards, Amy Hsin (2018) "The Economic Effects of Providing Legal Status to DREAMers." <a href="#">ISA Discussion Paper #11281</a> January 2018 See also <a href="#">Center for American Progress</a>
---

Card and Peri (2016) [Immigration Economics by George J. Borjas](#): *Journal of Economic Literature Review*,

Alesina, Harnoss & Rapoport (2013) VoxEU [Diversity & Economic Prosperity](#) and full paper [Revised paper 2015](#) published 2016 in *Journal of Economic Growth* (access on campus only)

[Lecture Notes](#). Reading: Peri, Giovanni. "[The effect of immigrants on US employment and productivity](#)." FRBSF Economic Letter 26 (2010): 1-5. Summary of [Children on the Run](#)

[Kevin Shih, Want a Stronger Economy?](#)

Does/will Germany spends 135 times more integrating refugees than it spends per refugee in safe-haven countries\* B&C, 2017, Note 1 (see below). Search for 135 to one in B&C, 2017: See Page 3 (Introduction) 129,145,229 (Chapter 9) and of course Foote note on page 237. This quote is from the footnote, This gives a ratio of 135:1. This ratio comes with three caveats: (i) these numbers are estimates based on limited available data; (ii) they include only costs incurred through public expenditure and do not account for the benefits or returns from refugees' economic contributions; (iii) they do not by themselves imply that the funding could or should simply be reallocated. We include them to show how relatively

little money is supporting protection in the main safe-haven countries. See, for example, Russia Today, 'Asylum Seekers to Cost Germany €50bn within 2 Years – Forecast' (1 February 2016), <https://www.rt.com/news/330869-germany-migrants-50bn-cost>. See Collier, Paul. *Refuge: Rethinking Refugee Policy in a Changing World* (p. 237). Oxford University Press. Kindle Edition.

## Asylum seekers to cost Germany €50bn within 2 years – forecast

Published time: 1 Feb. 2016 13:52  
Edited time: 1 Feb. 2016 13:55

[Get short URL](#)



© Fabrizio Bensch / Reuters



Germany is preparing to allocate tens of billions of euro for migrants' accommodation, integration and language lessons in 2016-2017. This year, Germany could let in some 1.5 million refugees, compared to 1.1 million in 2015.

A new forecast prepared by the Cologne Institute for Economic Research estimates the incoming asylum seekers will cost the federal budget about €50 billion (US\$54.3 billion) in 2016-2017.

After the Midterm Climate change, Gender issues and China Will be mainly after the final exam....

Andersen, Lykke E.; Verner, Dorte; Wiebelt, Manfred (2014) : Gender and climate change in Latin America: [An analysis of vulnerability, adaptation and resilience based on household surveys](#), Development Research Working Paper Series, No. 08/2014

Andersen, Lykke E., Dorte Verner, and Manfred Wiebelt. "Gender and Climate Change in Latin America: An analysis of [vulnerability, adaptation and resilience based on household surveys](#)." *Journal of International Development* 29, no. 7 (2017): 857-876.

EB-1 Visas Did Melania Trump Merit an 'Einstein Visa'? Probably, Immigration Lawyers Say <https://nyti.ms/2FQWOBS> The **EB-1** Outstanding Researcher or Professor immigrant **visa** classification (EB1B, EB-1B, **EB1-OR**) is the employment-based first preference immigration. The **EB-1B** petition consists of Form I-140 and supporting documents to show that the alien beneficiary meets **EB1** Outstanding Researcher or Professor criteria. Source: [EB-1 visa - Wikipedia](#) [https://en.wikipedia.org/wiki/EB-1\\_visa](https://en.wikipedia.org/wiki/EB-1_visa)

**Table W-1: World Bank Population/Migration Estimates**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Mali										
Mali Net Migration in 2012	-302									
Total Population (millions)	14	15	15	16	16	16	17	17	18	19
Rural population (% growth)	2.1	2.0	1.9	1.8	1.7	1.6	1.6	1.7	1.7	
Working age population 15-64	7.0	7.3	7.5	7.7	7.9	8.1	8.4	8.7	8.9	9.2
Morocco										
Morocco Net Migration in 2012	-307									
Total Population (millions)	32	32	32	33	33	34	34	35	35	36
Rural population (% growth)	0	0	0	0	0	0	0	0	0	
Working age population 15-64	20	21	21	22	22	22	23	23	23	24
Nigeria										
Nigeria Net Migration in 2012	-300									
Total Population (millions)	150	154	159	163	167	172	176	181	186	191
Rural population (% growth)	1	1	1	1	1	1	1	1	1	
Working age population 15-64	80	82	84	87	89	91	94	96	99	

<http://databank.worldbank.org/data/reports.aspx?source=population-estimates-and-projections&preview=on#>

Data from database: Population estimates and projections Last Updated: 12/18/2017

<http://databank.worldbank.org/data/reports.aspx?source=population-estimates-and-projections&preview=on#>



JOSH EDELSON For The Times

**PROTESTERS RALLY** outside a Sacramento hotel where U.S. Atty. Gen. Jeff Sessions delivered his speech.





NOAH BERGER AFP / Getty Images

‘So here’s my message to Mayor Schaaf: How dare you needlessly endanger the lives of law enforcement just to promote your radical open-borders agenda.’

— U.S. ATTY. GEN. JEFF SESSIONS,  
referring to Oakland Mayor Libby Schaaf’s warning to  
immigrant communities about recent Bay Area raids



Protesting a speech by Attorney General Jeff Sessions in Sacramento on Wednesday. "Immigration law is the province of the federal government," Mr. Sessions said in the speech.

Noah Berger/Agence France-Presse — Getty Images