

Syllabus for the Course “Labour and Migration”

Bavarian Graduate Program in Economics

September 13-17th 2021

(this draft, June 27th 2021)

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The goal of this course, is to survey frontier research in the area of Migration Economics with a focus on the adjustment of Labor Markets, Firms and analyzing the impact of immigrants and their assimilation. The course is structured to bring students to know the most recent research in this area and stimulate their ability and interest to engage in original research at the doctoral level.

While the literature covered is mainly empirical we will also analyze some theories and models that are useful to understand key implications tested in the data. We cover a variety of methods and models and the goal is to provide an overview of the exciting research, and discuss in depth some data, method and policy-related issues.

The tools used in the course and large part of its focus are related to applied economics and Labor. However, Immigration Economics is a sub-field of economics with implications in and insight from many other fields (international, development and public economics) and several other disciplines (demography, sociology, political science). As my research is related to this field I will cover a significant number of research articles that I produced in the last 10 years.

I structures this as a topical course that students would typically take after one year of PHD, while starting their applied research. Hence the course is all based on recent published papers and my presentations of those. Moreover, students are expected to know the most important methods and techniques in empirical economics. I will assume that they know Panel data analysis, Instrumental Variable Estimation, Difference-in-difference methods, regression discontinuity methods, event study methods and possibly (at least cursorily) the synthetic control method. We will cover, analyze and discuss several papers that use those techniques.

The homework assigned each day will consist in students reading a very recent paper, related to the topic we covered in the morning. Then we will discuss and critique more in details some features of methods and data that are used, and to stimulate new ideas for individual research, each student will write a short summary and suggestions/critique of the paper.. All students will be asked to read and participate to the discussion.

Topics and readings for each day of class:

Day 1: Facts on immigration and importance of economic agglomerations

1.1:

Chapter 4, IMF World Outlook 2020

Giovanni Peri, 2016. "Immigrants, Productivity, and Labor Markets," Journal of Economic Perspectives, American Economic Association, vol. 30(4), pages 3-30, Fall.

1.2:

E. Moretti. (2004) "Estimating the Social Return to Higher Education: Evidence from Longitudinal and Repeated Cross-Section Data," *Journal of Econometrics* 121 (1-2), 175-212.

Gaetano Basso & Giovanni Peri, 2020. "Internal Mobility: The Greater Responsiveness of Foreign-Born to Economic Conditions," *Journal of Economic Perspectives*, American Economic Association, vol. 34(3), pages 77-98, Summer.

Homework:

Cadena, Brian C., and Brian K. Kovak. 2016. "Immigrants Equilibrate Local Labor Markets: Evidence from the Great Recession." *American Economic Journal: Applied Economics*, 8 (1): 257-90.

Day 2: Immigration and Labor Markets, structural approach and dynamic responses

2.1:

G. Ottaviano and G. Peri. (2012) "Rethinking the Effect of Immigration on Wages," *Journal of the European Economic Association* 10(1), 152-97.

G. Peri and C. Sparber. (2009) "Task Specialization, Immigration, and Wages," *AEJ: Applied Economics* 1 (July), 135-69.

2.2 Dynamic effects:

M Foged and Peri (2016) "Immigrants' Effect on Native Workers: New Analysis on Longitudinal Data," forthcoming in the *American Economic Journal, Applied Economics*.

Cristina Cattaneo, Carlo V. Fiorio and Giovanni Peri, 2015. "What Happens to the Careers of European Workers When Immigrants Take Their Jobs?," *Journal of Human Resources*, University of Wisconsin Press, vol. 50(3), pages 655-693.

Homework:

Dustmann, Christian, Tommaso Frattini and Ian Preston (2013) "The Effect of Immigration along the Distribution of Wages," *Review of Economic Studies*, Oxford University Press, vol. 80(1), pages 145-173.

Day 3: Identifying the causal Impact of Immigration, focus on methods

3.1:

Quasi-Experiments:

Giovanni Peri & Vasil Yasenov, 2019. "The Labor Market Effects of a Refugee Wave: Synthetic Control Method Meets the Mariel Boatlift," *Journal of Human Resources*, University of Wisconsin Press, vol. 54(2), pages 267-309.

Shift-Share IV method:

Giovanni Peri & Kevin Shih & Chad Sparber, 2015. "STEM Workers, H-1B Visas, and Productivity in US Cities," *Journal of Labor Economics*, University of Chicago Press, vol. 33(S1), pages 225-255.

3.2

Jaeger, Ruist, Stuhler (2017) "Shift-Share Instruments and the Impact of Immigration" NBER Working Paper, November 2017.

Homework:

Paul Goldsmith-Pinkham & Isaac Sorkin & Henry Swift, 2020. "Bartik Instruments: What, When, Why, and How," American Economic Review, American Economic Association, vol. 110(8), pages 2586-2624, August.

Day 4: Immigrants, productivity, technology and Firms:

4.1 technological choice and investments:

Michael A. Clemens & Ethan G. Lewis & Hannah M. Postel, 2017. "Immigration Restrictions as Active Labor Market Policy: Evidence from the Mexican Bracero Exclusion," NBER Working Papers 23125, National Bureau of Economic Research, Inc.

Andreas Beerli & Jan Ruffner & Michael Siegenthaler & Giovanni Peri, 2018. "The Abolition of Immigration Restrictions and the Performance of Firms and Workers: Evidence from Switzerland," NBER Working Papers 25302, National Bureau of Economic Research, Inc.

4.2 Firm-workers, matching and entrepreneurs:

Gianluca Orefice & Giovanni Peri, 2020. "Immigration and Worker-Firm Matching," NBER Working Papers 26860, National Bureau of Economic Research, Inc.

Pierre Azoulay, Benjamin F. Jones, J. Daniel Kim, Javier Miranda "Immigration and Entrepreneurship in the United States, AMERICAN ECONOMIC REVIEW: INSIGHTS (FORTHCOMING)

Homework

Massimo Anelli & Gaetano Basso & Giuseppe Ippedico & Giovanni Peri, 2020. "Does Emigration Drain Entrepreneurs?," CESifo Working Paper Series 8388, CESifo.

Day 5: Economic integration of immigrants

5.1:

Borjas G. (2015) "The slowdown in economic assimilation of Immigrants: Aging and Cohort effects, Journal of Human Capital, Volume 9, Number 4, Winter 2015

5.2:

Michele Battisti, Giovanni Peri, Agnese Romiti (2021) "Dynamic effects of co-ethnic networks on immigrants' economic success" forthcoming Economic Journal.

Jacob Nielsen Arendt & Iben Bolvig & Mette Foged & Linea Hasager & Giovanni Peri, 2021. "Language Training and Refugees' Integration," CReAM Discussion Paper Series 2104, Centre for Research and Analysis of Migration (CReAM), Department of Economics, University College London.

No Homework, we end at 2 pm.

Additional Background Readings

Day1:

G. Borjas Immigration Economics “Harvard University Press. (Background reading)

Basso, Gaetano & Peri, Giovanni, 2015. "The Association between Immigration and Labor Market Outcomes in the United States," IZA Discussion Papers 9436, Institute for the Study of Labor (IZA).

Card David and Giovanni Peri (2016) “Immigration Economics: A Review”, Journal of Economic Literature., December 2016

Giovanni Peri, 2020. "Should The U.S. Expand Immigration?," Journal of Policy Analysis and Management, John Wiley & Sons, Ltd., vol. 39(1), pages 267-274, January.

Rebecca Diamond, 2016. "The Determinants and Welfare Implications of US Workers' Diverging Location Choices by Skill: 1980-2000," American Economic Review, American Economic Association, vol. 106(3), pages 479-524, March.

Day 2:

Docquier, Ozden, and Peri (2014) “The Labour Market Effects of Immigration and Emigration in OECD Countries” The Economic Journal. doi: 10.1111/ecoj.12077

Lewis Ethan and Giovanni Peri (2015) “Immigration and the economy of cities and regions” in Handbook of Regional and Urban Economics, Volume 5, Duranton, Henderson, and Strange (eds.), 2015.

Card (2009) “Immigration and Inequality” American Economic Review P&P, May (2009)

Christian Dustmann & Uta Schönberg & Jan Stuhler, 2017. "Labor Supply Shocks, Native Wages, and the Adjustment of Local Employment," The Quarterly Journal of Economics, Oxford University Press, vol. 132(1), pages 435-483.

Day 3:

Card David (1990) "The Impact of the Mariel Boatlift on The Miami Labor Market" Industrial and Labor Relation, Vol 43 n. 2.

Jongkwan Lee & Giovanni Peri & Vasil Yassenov, 2019. "The Labor Market Effects of Mexican Repatriations: Longitudinal Evidence from the 1930s," NBER Working Papers 26399, National Bureau of Economic Research, Inc.

Ortega, Francesc & Peri, Giovanni, 2014. "Openness and income: The roles of trade and migration," Journal of International Economics, Elsevier, vol. 92(2), pages 231-251.

Peri, Giovanni & Rury, Derek & Wiltshire, Justin C., 2020. "The Economic Impact of Migrants from Hurricane Maria," IZA Discussion Papers 13049, Institute of Labor Economics (IZA).

Day4:

Mitaritonna, Cristina & Orefice, Gianluca & Peri, Giovanni, 2017. "Immigrants and firms' outcomes: Evidence from France," European Economic Review, Elsevier, vol. 96(C), pages 62-82.

Day 5:

Peri, Giovanni & Rutledge, Zachariah, 2020. "Revisiting Economic Assimilation of Mexican and Central Americans Immigrants in the United States," IZA Discussion Papers 12976, Institute of Labor Economics (IZA).