



Bar-Ilan University
Department of Economics

The Department of Economics

Is happy to announce the opening of a new Mini-Course

In the academic year 2016-2017

Entitled

"Economics of International Migration"

By

Prof. Hillel Rapoport

Course Number: 66-401-01

Academic points: 1 Semester hour (0.5 annual hour)

Syllabus: Below

Dates and hours:

Monday, June 5th, 2017; 16:00-20:00 - Location: Building 504, Seminar Room (011)

Tuesday, June 6th, 2017; 16:00-20:00 - Location: Building 504, Seminar Room (011)

Thursday, June 8th, 2017; 16:00-20:00 - Location: Building 504, 1st floor, Faculty Lounge

The course is open to all M.A students, Ph.D. students, staff members and researchers.

Registration and enquiries can be made during the period 1/6/2017-5/6/2017 at the following

email address: Economics.Student@biu.ac.il.

Economics of International Migration
Hillel Rapoport, Paris School of Economics
Mini-course, Bar-Ilan University, June 4-7, 2017

Introduction

International migration is a key aspect of globalization. While migrants represent about 3 percent of the world population, a relatively stable figure, immigrants now represent nearly 10 percent of the population of OECD countries, a twofold increase in just a couple of decades. Another interesting pattern of international migration is that it is increasingly of the brain drain type. The aim of the course will be to present a detailed picture of international migration today, to understand the forces behind the patterns of its evolution, and to analyze both theoretically and empirically the interaction between international migration and other aspects of globalization (trade, FDI, and the diffusion of technology and culture). At a theoretical level we will aim at conveying the intuition of the mechanisms at work using simple economic models. At the empirical level we will discuss the results from selected studies. The course will discuss aspects of international migration from the perspective of both receiving and sending countries as well as from a global viewpoint.

The course is organized around a series of lectures with required readings.¹ Students must prepare for the class by reading the required articles ahead of the class.

Grading scheme: 100% written final exam.

Instructor:

Hillel Rapoport: hillel.rapoport@psemail.eu

Schedule

Monday, June 5: 16-20
Tuesday, June 6: 16-20
Thursday, June 8: 16-20

¹ Required readings are marked with **.

Content

Session 1. Sunday, June 4

1. The size and skill composition of international migration flows

Topics

The evolution of global international migration. The determinants of the size and skill composition of migration. Gravity models of migration and self-selection. Models and types of self-selection. The role of base wages and returns to skills. The role of migration networks.

Readings

Artuc, E., F. Docquier, C. Ozden and C. Parsons (2015): A Global Assessment of Human Capital Mobility: the Role of non-OECD Destinations, *World Development*, 65: 6-26.

Beine, Michel, Frederic Docquier and Caglar Ozden (2011): Diasporas, *Journal of Development Economics*, May.

Grogger, Jeffrey and Gordon H. Hanson (2011): Income maximization and the selection and sorting of international migrants, *Journal of Development Economics*.

Mayda, Anna Maria (2010): International migration: A panel data analysis of the determinants of bilateral flows, *Journal of Population Economics*

**McKenzie, David and Hillel Rapoport (2010): Self-selection patterns in Mexico-U.S. migration: the role of migrant networks, *Review of Economics and Statistics*, 92, 4: 811-21. See <http://ideas.repec.org/p/wbk/wbrwps/4118.html>

**Ozden, Caglar, Christopher Parsons, Maurice Schiff and Terrie Walmsley (2011): Where on Earth is Every-body? The evolution of global bilateral migration 1960-2000, *World Bank Economic Review*.

2. Immigration, diversity and economic development

Topics

The costs and benefits of diversity. Ethnic, genetic and birthplace diversity. Are countries richer because they are more diverse or more diverse because they are richer? The role of cultural proximity.

Readings

**Alesina, Alberto, Johann Harnoss and Hillel Rapoport (2016): Birthplace diversity and economic prosperity, *Journal of Economic Growth*, forthcoming.

**Ashraf, Q. and O. Galor (2013a), "The Out of Africa Hypothesis, Human Genetic Diversity and Comparative Economic Development." *American Economic Review*, 103(1): 1-46.

Brunow, S., M. Trax and J. Suedekum (2015), "Cultural Diversity and Plant-level Productivity." *Regional Science and Urban Economics*.

Hjort, Jonas (2014), "Ethnic Divisions and Production in Firms", *Quarterly Journal of Economics*, 1899-1946.

Ortega, Francesc, and Giovanni Peri (2014): Openness and income: the roles of trade and migration, *Journal of International Economics*.

Parrotta, P., D. Pozzoli, and M. Pytlikova (2014), "Does Labor Diversity Affect Firm Productivity?", *European Economic Review*, 66: 144-179.

Session 2. Monday, June 5

3. Brain drain and human capital formation in developing countries

Topics

A stylized growth model. Brain drain and endogenous human capital formation (brain gain): micro and macro approaches.

Readings

Batista, Catia, Aitor Lacuesta and Pedro C. Vicente (2012): Testing the "Brain Gain" Hypothesis: Micro Evidence from Cape Verde, *Journal of Development Economics*.

Beine, Michel, Frederic Docquier and Hillel Rapoport (2008): Brain drain and human capital formation in developing countries: winners and losers, *Economic Journal*, April.

Bollard, Albert, David McKenzie, Melanie Morten and Hillel Rapoport (2011): Remittances and the brain drain revisited: the microdata show that more educated migrants remit more, *World Bank Economic Review*.

Chand, Satish and Michael Clemens (2008): "Skill migration and skill creation: evidence from a quasi-experiment in the Pacific", Working Paper, Center for Global Development

**Docquier, Frederic and Hillel Rapoport (2012): Globalization, brain drain and development, *Journal of Economic Literature*, 50, 3: 681-730.

**Shresta, Slesh A. (2016): "Human Capital Investment Responses to Skilled Migration Prospects: Evidence from a Natural Experiment in Nepal", *Economic Journal*, forthcoming.

Session 3. Wednesday, June 6

4. International migration and globalization

Topics

Trade, migration and FDI: complements or substitutes? A model of trade/FDI-inducing migration with heterogeneous workers and firms. Migration and knowledge flows.

Readings

**Bahar, Dany, and Hillel Rapoport (2017): Migration, knowledge diffusion and the comparative advantage of nations, *Economic Journal*, forthcoming.

Kerr, W.R. (2008): Ethnic Scientific Communities and International Technology Diffusion, *Review of Economics and Statistics*, 90(3), 518-537.

**Kugler, Maurice and Hillel Rapoport (2011): Migration, FDI and the margins of trade, <http://www.hks.harvard.edu/centers/cid/publications/faculty-working-papers/cid-working-paper-no.-222> CID Working Paper No 222, Harvard University, June.

Miguelez, Ernest (2017), Inventor diasporas and the internationalization of technology, *World Bank Economic Review*, forthcoming.

**Parsons, Christopher and Pierre-Louis Vézina (2014): Migrant networks and trade: the Vietnamese boat people as a natural experiment, Working Paper.

5. Social remittances

Topics

Emigration and democracy: political remittances. Malthusian remittances: migration and the demographic transition. Migration and cultural diffusion.

Readings

**Barsbai, Toman, Hillel Rapoport, Andreas Steinmayr and Christoph Trebesch (2017): The effect of emigration on the diffusion of democracy: evidence from a former Soviet Republic, *American Economic Journal: Applied Economics*, forthcoming.

Batista, A., and P. Vicente (2011). Do Migrants Improve Governance at Home? Evidence from a Voting Experiment. *World Bank Economic Review*, 25(1), 77-104.

Beine, M., F. Docquier, and M. Schiff (2013). International Migration, Transfer of Norms and Home Country Fertility, *Canadian Journal of Economics*.

**Daudin, Guillaume, Raphaël Franck and Hillel Rapoport (2016): The cultural diffusion of the fertility transition: evidence from internal migrations in 19th century France, IZA Discussion Paper No 9945, May.

Docquier, F., E. Lodigiani, H. Rapoport, and M. Schiff (2016). Emigration and Democracy, *Journal of Development Economics*.

Spilimbergo, A. (2009): Foreign students and democracy, *American Economic Review*.