Economics of Immigration Seminar

Course Focus:

This course systematically examines Bryan Caplan’s *Open Borders* from cover to cover. Along the way, students will learn the fundamentals of the economics of immigration, with a focus on immigration’s effects on global wealth creation, and the parallels between international trade in goods and international trade in labor. The course also explores immigration’s net fiscal effects, cultural effects, and political effects, and explores a wide range of possibilities for immigration reform.

This is a mixed undergraduate and graduate class. While there will be shared lectures and classroom discussion, graduate students will be given more demanding homework assignments and more challenging exams.

Prerequisites:

I assume that you have taken Introductory Economics and know how to calculate Present Discounted Value. Labor Economics will be helpful but not required.

Texts:


Note: Only graduate students are required to *’d readings.
Grading and Exams:

There will be one midterm and a final exam. The midterm counts 30%; the final exam is 35%; homework counts 20%; and seminar participation counts 15%. Students who rarely participate should expect to receive a D for the participation portion of their grade. These weights are fixed - improvement on the final will not retroactively raise your grade on the midterm.

Homework:

There will be five homework assignments during the semester. Depending upon how good a job you do, your homework will receive a check-plus (4 points), a check (3 points), or a check-minus (2 points) if you turn it in; otherwise you receive 0 points. Late homework loses one point. Late homework is no longer accepted after I pass out my suggested answers for a given assignment.

Office Hours

The best way to contact me is by email at bcaplan@gmu.edu. Many questions and requests can be satisfied by going to my homepage at http://www.bcaplan.com. My office is 11 Carow Hall; my office number is 3-2324. My official office hours are MW 1:30-3:00, but you can also schedule an appointment or just drop by and see if I'm available.

Tentative Schedule:

My proposed schedule for the semester follows. If it proves too ambitious, I will try to simply say less about each topic rather than cut the topics for the final weeks.

Week 1: Basics of Immigration

- Why immigration?
- The demography of immigration
- Income, gravity, affinity, agglomeration
- How regulated is immigration in the U.S.?
- How regulated is immigration globally?
- A brief history of immigration regulation
- The standard story of immigration
- Justifying immigration regulation

Readings:
Open Borders, Chapter 1
Week 2: Immigration as Trade

- Population economics
- Basics of comparative advantage and trade
- Immigration and AS-AD
- Comparative advantage and immigration
- Trade and arbitrage
- Basic economics of discrimination
- The place premium

Readings:
Open Borders, Chapter 2

Weeks 3-4: Immigration and Wealth Creation

- Migration and labor productivity
- Immigration and Gross World Product
- Understanding the productivity gap
- Migration and innovation
- Growth and intra-country migration: China, India, U.S.
- Swamping and diaspora dynamics
- Ghost towns and zombie economies
- Brain drain

Readings:
Open Borders, Chapter 2


Exodus, Chapter 2.
Weeks 5-6: Immigration and Wealth Distribution

- Production vs. distribution
- Global inequality and the Arithmetic Fallacy
- Distributional effects on receiving vs. sending countries
- Distributional effects within countries
- Immigration and native wages
- Labor heterogeneity and distributional effects
- Other distributional effects

Readings:

*Exodus*, Chapter 9.

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Week 7: MIDTERM

Week 8: Fiscal Effects of Immigration

- Basics of public finance and migration
- Rivalry, age, family, and immigration
- Overall, long-run net fiscal effects
- NPV by skill and age
- Friedman and open borders: an assessment
- Immigration and the environment
- Immigration and contagious disease

Readings:
*Open Borders*, Chapter 3

*Economic and Fiscal Consequences of Immigration*, Chapters 7-8

Weeks 9-10: Culture, Crime, and Immigration

- The value of assimilation: coordination and beyond
- Linguistic assimilation
- Educational assimilation
- The basics of trust
- Immigration and trust
- Trust assimilation
• Immigration and crime
• Immigration, terrorism, and availability cascades
• Pre-assimilation
• Cosmopolitanism and diversity

Readings:
*Open Borders*, Chapter 4

*Integration of Immigrants Into American Society*, Chapter 7

**Weeks 11-12: Political Effects of Immigration**

• Background: *The Myth of the Rational Voter*
• Nativity and party identification in the U.S.
• Nativity, education and policy opinions in the U.S.
• Participation, influence, and assimilation
• Immigration, cohesion, and the welfare state
• Ancestry and the wealth of nations
• Ancestry and immigration
• IQ and the wealth of nations
• IQ and immigration
• Adoption, immigration, and child development
• Population and national power

Readings:
*Open Borders*, Chapter 5


*Hive Mind*, Chapters 1-3, 7

**Week 13: Immigration Policy**

• The status quo
• Liberalization
• Open borders
• Skill-based immigration
• Culture-based immigration
• Nativism and Malthusianism
• Keyhole solutions

Readings:
Open Borders, Chapter 6

Hive Mind, Chapter 9

Week 14: Philosophy of Immigration

- Immigration and... utilitarianism
- ...egalitarianism
- ...libertarianism
- ...cost-benefit analysis
- ...meritocracy
- ...Christianity
- ...Kantianism
- ...citizenism
- Liberalism, conservatism, and immigration
- The Precautionary Principle

Readings:
Open Borders, Chapters 7-8