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Econ 496/895

HW #3 *(please **type**)*

Undergraduates: Answer any THREE questions.

Grad Students: Answer any THREE questions, plus the Graduate-Level Question.

All-Level Questions (*answers should be 1 page, double-spaced*)

1. What is the largest historical increase in productivity that was *not* broadly beneficial? What went wrong?

2. Carefully explain how *global* inequality has fallen even though measured inequality has increased in most of the world's major economies.

3. Give a real-world example, unrelated to immigration, of the Arithmetic Fallacy.

4. Under what conditions would migration impoverish people who remain in the sending country? Describe the main mechanisms.

5. Suppose you were a low-skilled native who knew that low-skilled immigration would greatly increase during his lifetime. Describe a realistic strategy for turning this situation to your economic advantage.

6. Explain the "infinite contradiction." What is the best way to resolve it?

7. How would the typical American react to the Borjas-Katz estimates of the effect of immigration on native wages? How do you react?

8. Accurately and persuasively explain Ottaviano-Peri to a low-skilled American who fears low-skilled immigration.

9. How do remittances alter immigration's distributional effects? Who, if anyone, loses if immigrants remit most of their earnings?

10. What are the distributional effects of immigration for you personally? Analyze the pros and cons in detail.

Graduate-Level Question (*answer should be 2 pages, double-spaced*)

Pretend you are George Borjas. Building on his "Immigration and Globalization," argue that Caplan greatly overestimates *either* the social or national benefits of immigration. Craft a compelling narrative!