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Econ 496/895

## **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:**

Bryan Caplan and Zach Weinersmith. 2019. *Open Borders: The Science and Ethics of Immigration*. NY: First Second.

Blau, Francine, and Christopher Mackie, eds. 2017. *The Economic and Fiscal Consequences of Immigration*. Washington, DC: National Academies Press. (free pdf online)

Waters, Mary, and Marisa Pineau, eds. *The Integration of Immigrants Into American Society*. Washington, DC: National Academies Press. (free pdf online)

Collier, Paul. 2015. *Exodus: How Migration Is Changing Our World*. Oxford: Oxford University Press.

Jones, Garrett. 2015. *Hive Mind: How Your Nation's IQ Matters So Much More Than Your Own*. Stanford, CA: Stanford University Press.

*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](mailto: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

\* Timmer, Ashley S., and Jeffrey G. Williams. "Immigration Policy Prior to the 1930s: Labor Markets, Policy Interactions, and Globalization Backlash." *Population and Development Review*, vol. 24, no. 4, 1998, pp. 739–771.

## **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

\* Clemens, Michael, Claudio Montenegro, and Lant Pritchett. 2019. "The Place Premium: Bounding the Price Equivalent of Migration Barriers." *Review of Economics and Statistics* 101:2, 201-213.

## **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

Clemens, Michael A. "Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?" *The Journal of Economic Perspectives*, vol. 25, no. 3, 2011, pp. 83–106.

\* Pritchett, Lant, et al. "Boom Towns and Ghost Countries: Geography, Agglomeration, and Population Mobility [with Comments and Discussion]." *Brookings Trade Forum*, 2006, pp. 1–56.

*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:

\* Borjas, George J. "Immigration and Globalization: A Review Essay." *Journal of Economic Literature*, vol. 53, no. 4, 2015, pp. 961–974.

*Exodus*, Chapter 9.

<b>Week 7: MIDTERM</b>
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## **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

\* Caplan, Bryan. "Richwine on the Net Fiscal Effect of Low-Skilled Immigrants." *EconLog*. <https://www.econlib.org/richwine-on-the-net-fiscal-effect-of-low-skilled-immigrants>.

## **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

\* Putterman, Louis, and David Weil. 2010. "Post-1500 Population Flows and the Long-Run Determinants of Economic Growth and Inequality." *Quarterly Journal of Economics* 125(4): 1627-1682.

*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

Huemer, Michael. 2010. "Is There a Right to Immigrate?" *Social Theory and Practice* 36(3). 429-461.