

Economics of Migration and Job Search 2023-24

Aims:

This course is an optional module for Econ 3rd year students. The subject provides students an introduction to recent and advanced developments in the migration and job search literature. Students will learn how to formulate and solve theoretical and empirical economic models, and apply these models to analyse a range of topics including migration, employment transitions and wage dispersion across workers. Throughout the course, analysis will be linked to the current debate on migration and other labour market policies.

Upon completing the course, students should:

- Have a knowledge of the basic facts about migration and the structure of labour markets.
- Apply techniques to solve problems relating to various settings of labour markets.
- Be able to evaluate and assess empirical findings and policies relating to migration, job turnover and individual's wage profiles.

Assessment:

10% of problem sets and 90% coursework assessment. The coursework will be a 3-hour online examination released in term 3.

Readings: There are “optional readings” at the end of each lecture.

Part 1) Economics of Migration

- Lecture 1: Introduction and Motivation
- Lecture 2: Who Migrates? The Selection of Immigrants
 - Roy (1951)
- Lecture 3-5: The Impact of Migration on Wages and Welfare
 - Manacorda, Manning and Wadsworth (2012)
 - Card (1990)
- Lecture 6-7: Local labour markets
 - Roback (1982)
 - Berry (1994)
 - Piyapromdee (2017)
- Lecture 8: Immigrant Assimilation
 - Borjas (1985)

Part 2) Search Theory and Labour Market Applications

- Lecture 9-10 : Introduction, Dynamic Programming and Sequential Search
 - McCall (1970)

References

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- Piyapromdee, Suphanit. *The Impact of Immigration on Wages, Internal Migration and Welfare*, *Review of Economic Studies*, 2020.
- Rebecca Diamond (2016) "The Determinants and Welfare Implications of US Workers Diverging Location Choices by Skill: 1980-2000.
- Roback, Jennifer. "Wages, rents, and the quality of life." *The Journal of Political Economy* (1982): 1257-1278.
- Roy, A. D. (1951): "Some Thoughts on the Distribution of Earnings," *Oxford Economic Papers* (New Series), 3, 135-146.
- Shimer, Robert, "The Cyclical Behavior of Equilibrium Unemployment and Vacancies," *The American Economic Review*, March 2005, 95 (1), 25-49.
- Steven Berry (1994) "Estimating Discrete Choice Models of Product Differentiation," *RAND Journal of Economics*, 25, 242-262.