

Economics of Migration and Job Search 2020-21

Aims:

This course is an optional module for Econ 3rd year students. The subject provides students an introduction to recent developments in the migration and job search literature. Students will learn how to formulate and solve dynamic 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:

20% of best two problem sets and 80% coursework assessment. There will be four problem sets in total spread out throughout the term released one week before the deadline. The coursework will also be released one week before the deadline in term 3.

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

Outline:

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.
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- 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.