

Study Questions
(*with Answers*)

Lecture 10
Migration

Part 1: Multiple Choice

Select the **best** answer of those given.

1. Which of the following reasons for people migrating from one country to another is the most important in today's world?
 - a. Better living conditions
 - b. Higher wages
 - c. To escape persecution
 - d. For a better climate
 - e. For religious freedom

Ans: *b*

2. Which of the following would **not**, if it were true, contribute to hourly wages being lower in Mexico than in the United States?
 - a. Mexico lacks much of the infrastructure of the U.S.
 - b. Mexico has less capital per worker than the U.S. does.
 - c. Mexico's labor force is less educated than the U.S. labor force.
 - d. Mexican workers prefer to work shorter hours than U.S. workers.
 - e. Mexico's technology lags behind that of the U.S.

Ans: *d*

3. Compared to the beginning of the 20th century, immigration now into the United States as a fraction of our population is
- Much greater (more than ten times as large)
 - Somewhat greater (between twice as large and ten times as large)
 - About the same
 - Somewhat smaller (between one tenth as large and half as large)
 - Much smaller (less than one tenth as large)

Ans: d (see Stelzer)

4. The NAFTA was expected to reduce migration from Mexico into the United States because
- The NAFTA agreement included a provision for increased enforcement of migration restrictions at the border.
 - The NAFTA would reduce the movement of vehicles across the border in which illegal migrants could hide.
 - The NAFTA was expected raise wages in Mexico, reducing the incentive for migration.
 - The NAFTA was expected to reduce American wages below Mexican wages, causing migration to flow into Mexico instead of into the U.S.
 - The NAFTA would improve the air quality in Mexico, so that Mexicans would not want to leave.

Ans: c

5. Opponents of current U.S. immigration policy argue that
- Immigrants reduce wages of American unskilled workers.
 - Immigrants use social services that could be reserved for non-immigrants.
 - The taxes that immigrants pay in the U.S. are smaller than the benefits they get.
 - Immigrants should be restricted to those with high skills and high wealth.
 - All of the above.

Ans: e

6. When one author complains that “balkanization has replaced assimilation,” he means that
- Today’s immigrants live in enclaves with others like themselves, instead of intermingling with the larger population.
 - Today’s immigrants come increasingly from the Balkan countries, rather than from Asia.
 - Immigrants take more from social services than they give back.
 - Restrictions on immigration are preventing qualified workers from entering the United States and filling jobs that then go unfilled.
 - Immigrants are now being admitted from only a handful of isolated places around the world, in contrast to drawing from the whole world as we used to do.

Ans: a (see Eldredge)

7. By devoting more resources to keeping illegal immigrants from crossing the U.S.-Mexico border, the U.S. has caused
- Wages in Mexico to rise.
 - Immigrants to be exploited by those who offer to help them cross the border.
 - Increased taxes to be collected from legal immigrants in the U.S.
 - Increased illegal immigration.
 - Working conditions in Mexico to improve.

Ans: b (see Skerry and Rockwell)

8. According to the assigned article from the *Economist*, “Drain or Gain?” which of the following is one of the effects of emigration from developing countries on the countries from which they emigrate?
- Crime goes down, as emigrants tend to be both perpetrators and victims of crime.
 - Families of the emigrants drain their savings, sending financial support to the emigrants abroad.
 - Productivity of migrants is lower when they return than when they left, as they tend to forget details of their home culture.
 - Levels of education improve, as the possibility of emigration provides the incentive, even for those who don’t ultimately move.
 - Migrants who return are more likely to be unemployed than workers who chose not to emigrate.

Ans: d

Part II: Short Answer

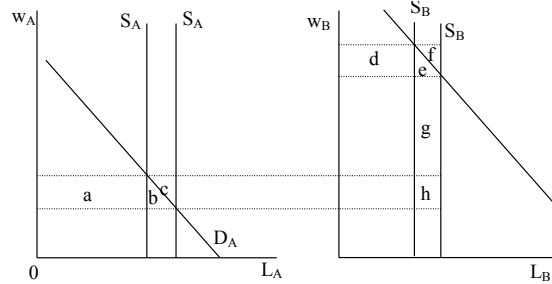
Answer in the space provided.

1. Explain the difference between “demand pull” and “supply push” factors that are involved in the determination of international migration. Then identify and explain the third factor that is not included in either one of these.

Ans: Demand pull factors are economic conditions in the receiving country. Supply push factors are economic conditions in the sending country. Not included in these two are the third, “social networks,” which refers to linkages between people in both countries. See Gerber, Ch. 13.

2. The graphs below show demand for labor in two countries, A and B, and several vertical labor supply curves. Use these diagrams to illustrate the effects of a migration from one country to the other in search of a higher wage. Let the amount of migration (change in labor supply) be equal to the (identical) horizontal distance between the supply curves in both graphs.

- a. Identify the equilibria that obtain in both countries, first before the migration takes place, and then after the migration takes place. In which country does the wage rise due to migration, and in which does it fall?



Ans: Since wages are lower in A than in B regardless of which labor supply curve you pick, it must be that labor migrates from A to B, and therefore that the labor supply curve shifts left in A and right in B. Thus the initial equilibria include the lower of the two wages shown in a, and the higher of the two wages in B, corresponding to the rightmost labor supply curve in A and the leftmost labor supply curve in B. The effect of the migration is therefore to raise the wage in A and lower it in B.

- b. Use consumer and producer surplus to measure the welfare effects on suppliers and demanders of labor in the two countries and use the labeled areas to record them below. Use plus and minus signs to indicate whether each group gains or loses.

Workers who migrate: _____ *Ans: $+(g+h)$*

Workers who stay in A: _____ *Ans: $+a$*

Workers who stay in B: _____ *Ans: $-d$*

Employers in A: _____ *Ans: $-(a+b)$*

Employers in B: _____ *Ans: $+(d+e)$*

Country A exc. migrants: _____ *Ans: $-b$*

Country B exc. migrants: _____ *Ans: $+e$*

- c. In this model, does world welfare necessarily rise due to this migration?

Ans: Yes. Adding the effects on the two countries plus the migrants, the change in world welfare is $+(g+h+e)-b$. But area h is identical to $(b+c)$. So this is $+(g+c+e)$ which is necessarily positive.