

**Discussion:**  
**Conference on Global High-Skilled Immigration Policy**

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# Discussion

- “The Effects of High-Skill Immigration on Productivity and Labor Markets: The Case of Israel” by Daniele Paserman
  - Studies the influx of immigrants to Israel after the fall of the Soviet Union
  - Provides a number of descriptive statistics on immigration to Israel
  - Finds little evidence that high skilled immigration is correlated with productivity growth at either the firm or the industry level

# Discussion

- “The Effects of High-Skill Immigration on Productivity and Labor Markets: The Case of Israel” by Daniele Paserman
  - Next step is to dig deeper to understand why finding no effect (or even a negative one).
  - Could potentially look at the rate of firm creation? Academic output?
  - Could look at reallocation effects? The effects of high skilled immigration on reallocation of market shares across firms is a frontier that has not been well studied and would be one of the main ways in which studying things at the level of the firm could be fruitful (this has been an especially important topic in the international trade literature).

# Discussion

- “High Skilled Immigration and Imperfect Labor Markets: Theory and Cross-Country Evidence” by Herbert Brücker
  - Uses a structural model of the labor market to look at the effects of high skilled immigration on wages and employment in Denmark, Germany, and the United Kingdom
  - Estimates (i) the elasticities of wages with respect to unemployment and (ii) the elasticity of employment with respect to the wage level using micro data
  - Takes institutional differences across countries seriously

# Discussion

- “High Skilled Immigration and Imperfect Labor Markets: Theory and Cross-Country Evidence” by Herbert Brücker
  - Finds that high skilled immigration reduces unemployment in the UK but not in Denmark. Higher wage flexibility increases the benefits from immigration and the overall benefits increase with how well immigrants assimilate and can easily compete with natives of similar education levels
  - As acknowledged by the author, one potential next step in to allow for productivity effects from immigration in a similar model
  - Given the results on assimilation, could potentially look at the effects by country of origin?

# Discussion

- “International Migration and U.S. Innovation” by William Kerr
  - Reviews the evidence on the link between migration and innovation
  - Describes some basic stylized facts that have been established in recent years
    - High skilled immigrants very important to US innovation – about half of the workforce with PhDs in STEM are foreign born
    - Stephan and Levin (2001) – Immigrants overrepresented among most-cited authors, members of National Academy of Sciences, etc
  - Hunt and Gauthier Loisel (2010), Kerr and Lincoln (2010), and Moser et al (2014) find positive effects of immigration on innovation
  - Peri et al (2013) find large city-level productivity increases due to immigration
  - Borjas and Doran (2012) find evidence of crowd-out on US mathematicians following the influx of these academics following the collapse of the Soviet Union

# Discussion

- “International Migration and U.S. Innovation” by William Kerr
  - Similar to the work by Brücker, there is evidence that the effects might depend on the institutional environment
    - In setting where there are constraints to growth, as arguably the case in academia, immigration might lead to more displacement rather additional innovation
  - In going forward, thought the author could flesh out this point further. Why do these constraints just not lead to growth from competition effects?
    - For example, if US universities could add world class mathematicians, why would they hire less native mathematicians rather than hiring less English Literature scholars?
  - I thought the author could also discuss the interaction between the labor market literature (which is very well developed) and the innovation and entrepreneurship literature at further length.