

ECON 3235 Class notes for week of September 6-7th

<http://www.xe.com/currencycharts/?from=USD&to=MXN&view=1Y>

Lecture DACA, DAPA* and NAFTA: Immigration, Mobility and DACA resources:

Fordham 2010 NYS State Dream Law [Fordham-CIPS-APEM-DACA Benefit January 11th](#)

Guest Speakers: [Erica Mancinas](#), ECON 3235 class of 2012 [Financial Clinic](#), Anuar and Aldo Juridini (Puebla)

*Deferred Action for Parents of Americans (blocked by 5th Circuit Court, appeal to Supreme Court resulted in 4:4 split vote, 8 SCOTUS) Case used by Jefferson Beauregard Sessions III AG to rescind DACA why Trump is wrong about [mixed status families](#)

Case Studies: Bolivia, [Ecuador](#) [Brazil](#) by far the largest country in Latin America. Venezuela [Cooking with Firewood](#) on Bolivia, see [INESAD](#) on Facebook Lykke Andersen [UN DESA WESS 2016 report](#) expert, “[UNDP Resilience Report](#)” [Great working paper](#). *Identifying opportunities in a changing climate: Research priorities for reducing vulnerability, poverty and inequality* See also [Multidimensional Poverty in Bolivia](#)

Economics Readings:

Larraine and Sachs, [Traded and Nontraded Goods Chapter 21](#) [Lecture RERs and Economic Growth](#)





Paul Krugman, [The Very Bad Economics of Killing DACA](#)

Alesina, Alberto, Johann Harnoss, and Hillel Rapoport. "[Birthplace diversity and economic prosperity](#)." Journal of Economic Growth 21, no. 2 (2016): 101-138.

What is the Fiscal net cost of a new refugee in the Midwest? (see William N. Evans and Daniel Fitzgerald below:.)

The Very Bad Economics of Killing DACA

SEPTEMBER 5, 2017 12:16 PM 227

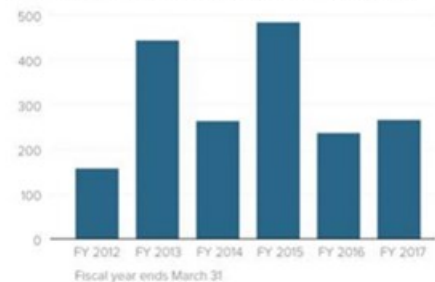
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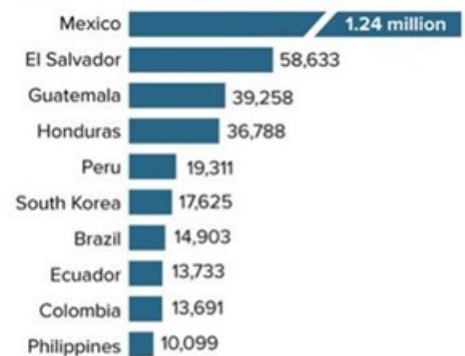
Protesters marching in support of DACA on Tuesday, in Washington. Tom Brenner/TI New York Times

DACA by the Numbers

Total requests for deferred action on deportations under the program, in thousands



Top 10 countries of origin, approved to date 2012-2017



Sources: Department of Homeland Security, U.S. Citizenship and Immigration Services, Biometrics Capture Systems, CIS Consolidated Operational Repository (CISOR), March 2017



New York: “Heading toward 9 billion” (but fewer NHWs than in 1980)

Typical DACA recipient: (see CNBC story on DACA)

- Came to U.S. at 6 years old
- Lives in Los Angeles
- Born in Mexico
- Goes to CUNY in New York SF (see below)

Mexico and NAFTA:

1. Comparative Advantage (same as MA Economics)
2. Rationalization: Imperfect Competition with increasing returns to scale
3. Labor market integration (migration...)
4. Global Value Chains (Richard Baldwin, The Great Convergence)

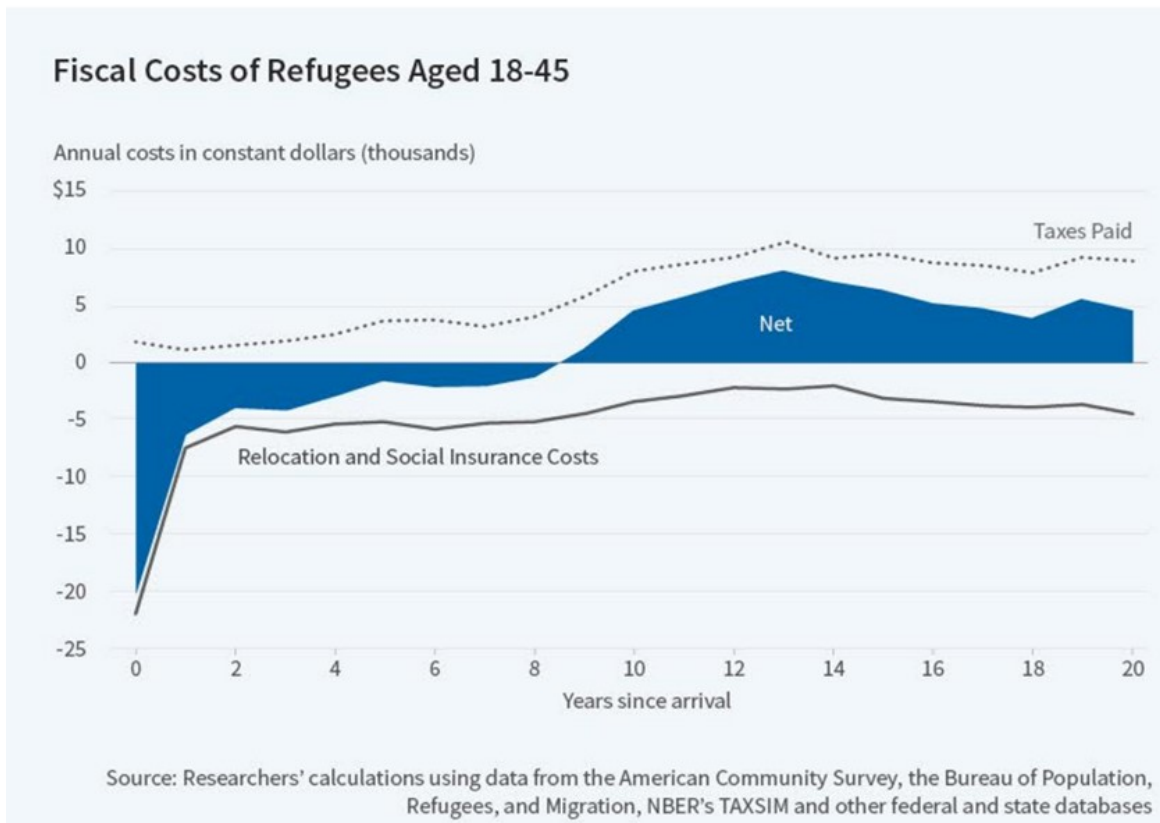
What to try:

1. the [Los Angeles Times](#) for 7 weeks.
2. Michael Angelo's (MA) Pizza: the large Margarita is best, I know the cook...

MA Economics: Pizzas (... see also Dreamer's Pizza below, perhaps the next most powerful woman in NYC is in this picture...Melissa Mark's chief of staff)

- 2.1 Why are the salaries of restaurant workers born in the United States are higher if there are undocumented workers working in the same restaurant...? See Georgia study using fake SS#s
- 2.2 Discuss the common ground between migration and trade? Is one a substitute for another? What do we lose when very bright students chose another country. Why are both important for NAFTA and Mexico?
- 2.3 Are refugees (Cubans?) a fiscal burden? If yes, is this why we are cutting refugee quotas? What happened to the Muslim Ban (hint: 9th circuit...). Why does this matter to the Latinos below...?

What Happens When Refugees Come to the United States



<http://www.nber.org/digest/aug17/w23498.shtml>

Are refugees a burden on the taxpayer? New evidence suggests that, with a long enough perspective, the answer is no. William N. Evans and Daniel Fitzgerald, in *The Economic and Social Outcomes of Refugees in the United States: Evidence from the ACS* (NBER Working Paper No. 23498), find that over their first 20 years in the United States, refugees who arrived as adults aged 18-45 contributed more in taxes than they received in relocation benefits and other public assistance. They also find that the younger the refugees were when they resettled in America, the more likely they were to catch up with their native-born peers educationally and economically.

www.gdsnet.org/INESAD_Andersen_WorkingPaper01-2016.pdf

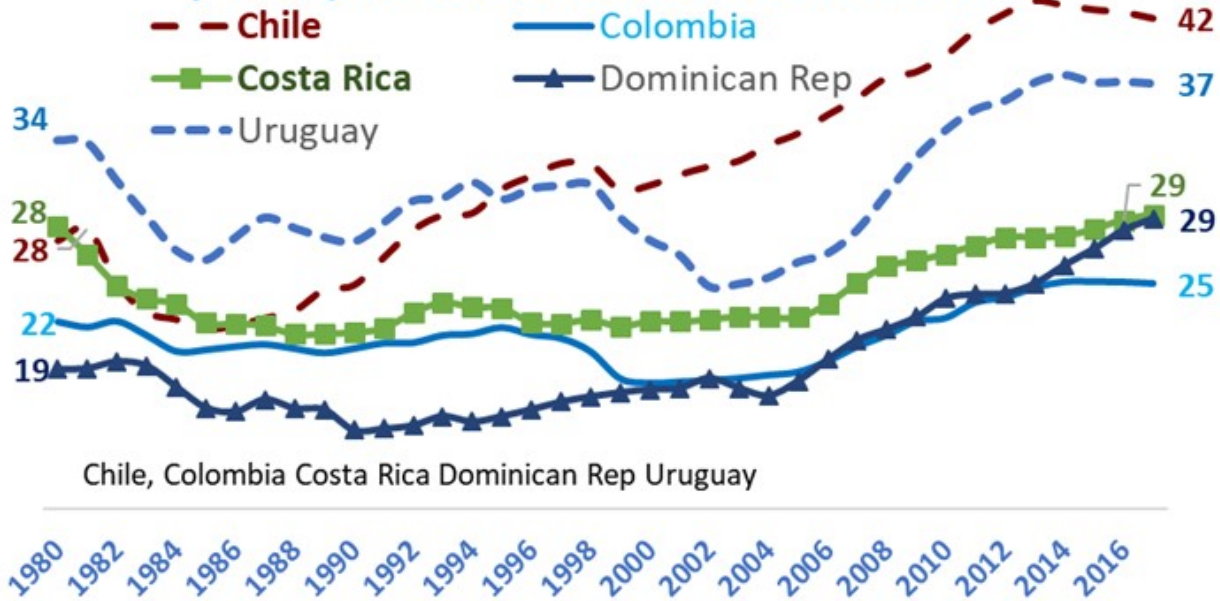
http://www.gdsnet.org/SachsChapter21part1_read.pdf

<https://vimeo.com/27261212>

<https://www.nbcnews.com/politics/immigration/trump-dreamers-daca-immigration-announcement-n798686>

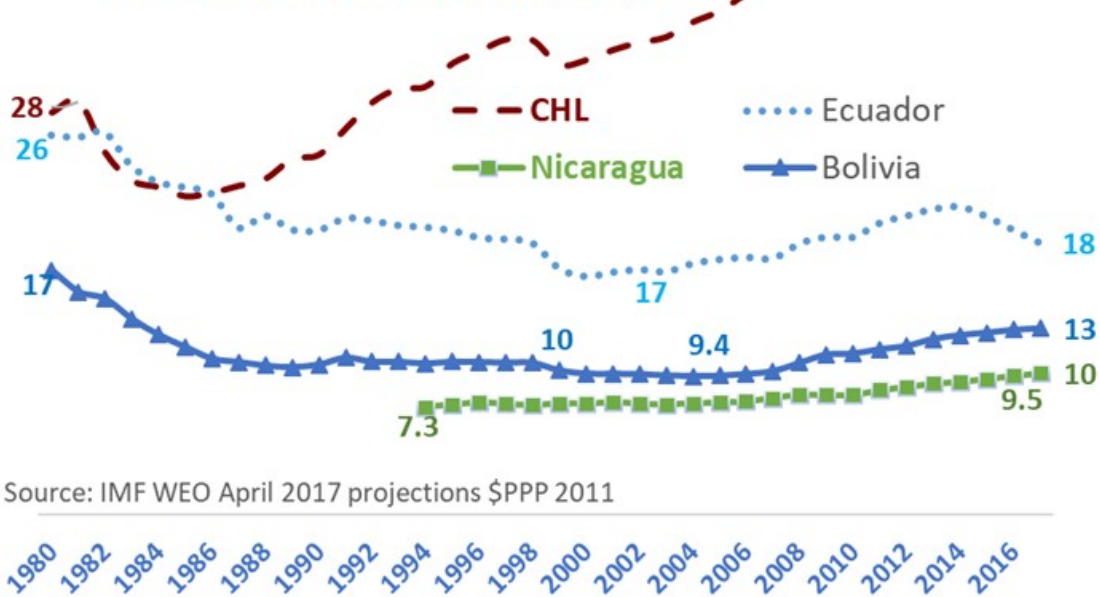
Visas for sale (New York luxury Apartments EB-5 Visas \$500,000, Spain just \$250,000)

**Figure C-2 Latin America Top 5 since 1980:
per capita income as % of U.S. income**



Source: IMF WEO April 2017 projections \$PPP 2011

**Figure C-3 Populist Regimes NIC, ECU and BOL
as a % of U.S. income per person**



Source: IMF WEO April 2017 projections \$PPP 2011

Figure LA-7 Largest seven LatAm Economies

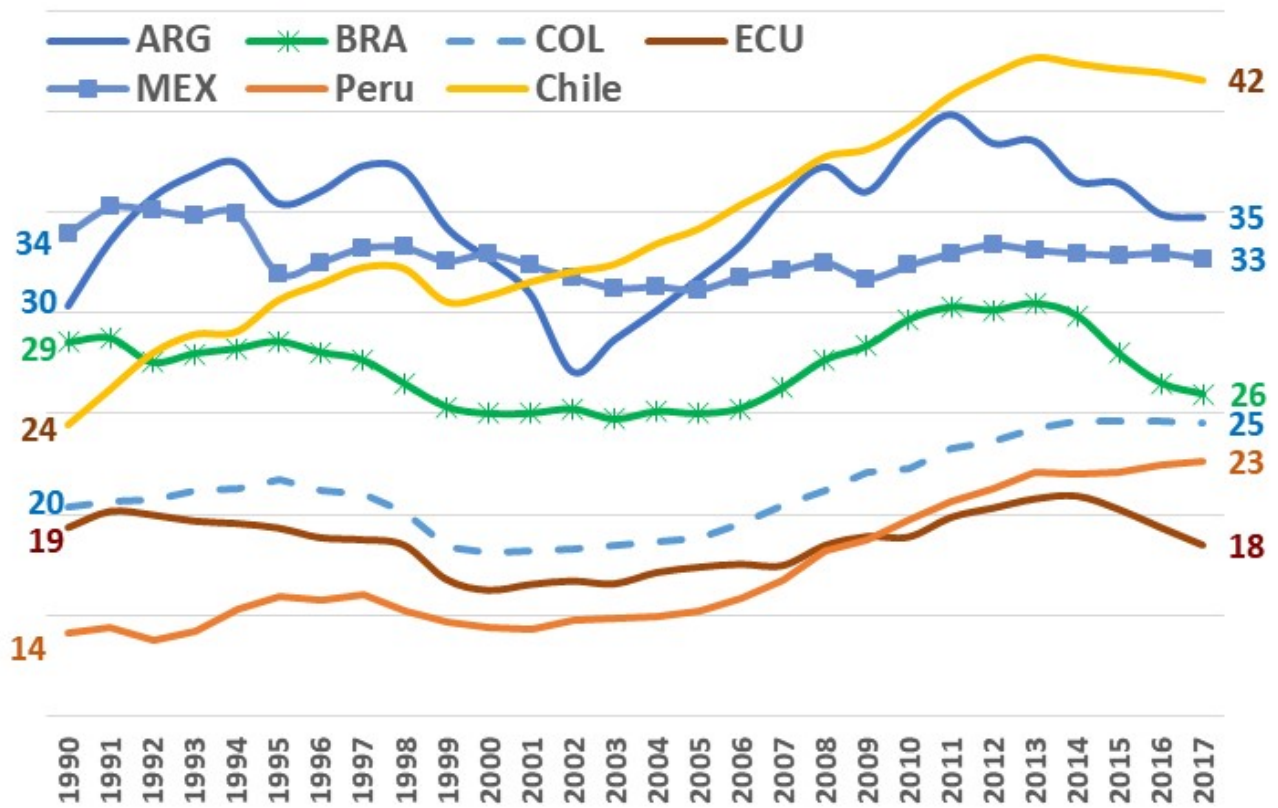
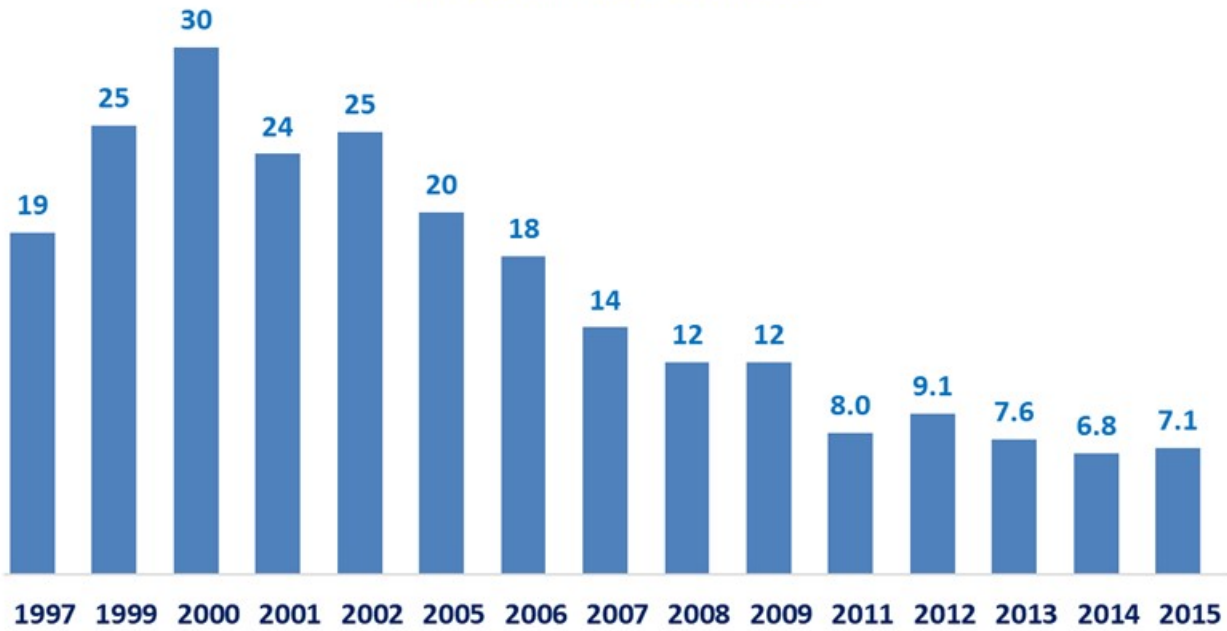


Figure SP-1 Bolivia \$1.9/day poverty Rate \$PPP 2011 Evo Morales took office in 2006: Bolivia achieved MDG 1



Source: Source: SEDLAC (CEDLAS and The World Bank)

Figure SP-3 Ecuador \$1.9/day poverty Rate \$PPP 2011 Rafael Correa took office in 2008: Ecuador achieved MDG 1 twice in 2015



Source: Source: SEDLAC (CEDLAS and The World Bank)

The Unsatisfied Basic Needs Index includes four main sub-components: 1) Housing quality; 2) Basic services; 3) Education; and 4) Health. Each of these includes one or more sub-components. Table 9 shows the evolution of the indicators for which we were able to find comparable information for 2001 and 2012.

Table 8: Trends in sub-components of the Unsatisfied Basic Needs Index, 2001-2012

	2001	2012	Change 2001-2012
Poverty rate as measured by the Unsatisfied Basic Needs methodology (percent)	58.6	44.9	-13.7
Gas for cooking (either by canisters or pipes) (percent of households)	58.4	71.7	13.3
Electricity coverage (percent of households)	64.4	82.3	17.9
Communication services (percent of households)	22.7	65.3	42.6
Piped water coverage (percent of households)	62.3	68.3	6.0
Sanitation coverage (percent of households)	63.3	69.9	6.6
Analphabetism (percent of population)	13.3	5.1	-8.2
Share of adult population with secondary or more education (percent)	40.3	61.0	19.7
Share of latest births that took place in a health establishment (percent)	53.1	69.1	16.0

Source: INE (2014).

See Andersen and Jemio (2016, page 28)

References

Andersen, Lykke and Jemio, Luis Carlos, (2016), Decentralization and poverty reduction in Bolivia: Challenges and opportunities, No 01/2016, [Development Research Working Paper Series, Institute for Advanced Development Studies](#),

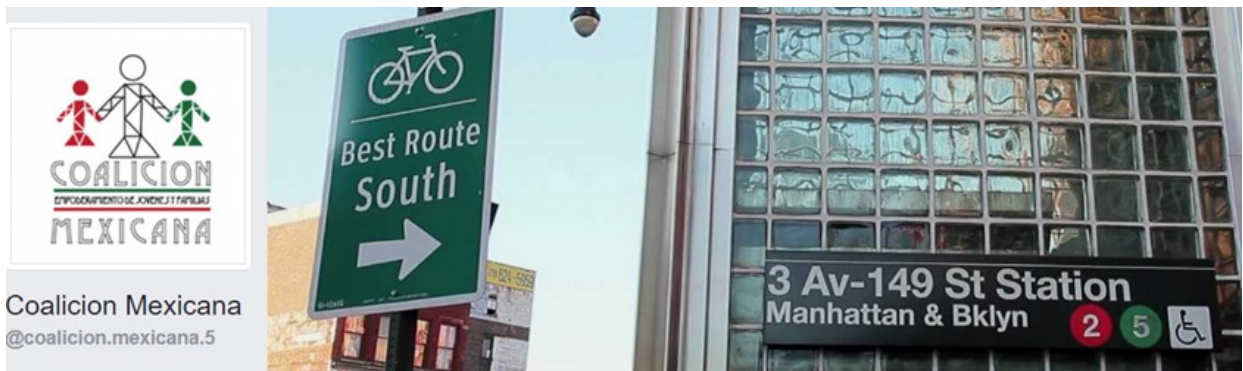
Orrenius, Pia M.; Zavodny, Madeline (2006) : Does immigration affect wages? A look at occupation-level evidence, IZA Discussion Papers, No. 2481, <https://www.econstor.eu/bitstream/10419/33795/1/538721553.pdf>

Orrenius, Pia M.; Zavodny, Madeline (2010) : The minimum wage and Latino workers, Discussion paper series // Forschungsinstitut zur Zukunft der Arbeit, No. 5341
<https://www.econstor.eu/bitstream/10419/51609/1/670019178.pdf>

Videos: Visual Politics NAFTA and Mexico, Lithium and Bolivia, What's Wrong with Chile? Why are New York City, Canada, California and New Zealand so successful? (is Diversity and Economic Growth, where diversity refers to your place of birth, not your race and ethnicity...)

Notable and quotable

- Cardinal Dolan condemned President Trump's move to strip protections from young immigrants Tuesday as an affront to Christian and American values. *“As a pastor, I can tell you these Dreamers are not criminals, aliens, problems, or intruders. They are us. They are our people,” Dolan said. “To demonize them as threats or terrorists contradicts, you know what, the Bible, America, New York and human decency.”* ([New York Daily News](#) 9-5-2017)
- President [Obama Facebook post](#) September 5th
- [Coalicion Mexicana Statement of Cardinal Joseph W. Tobin on the Rescission of DACA Executive Order](#) September 5, 2017 (meeting tonight at 6:30pm re DACA and dreamers)



Migration related Case Studies: California (28%) New Zealand (20%) Canada (25%) and Queens (35%)

[Washington Post on DACA announcement](#)

Person of week: Ricardo Hausmann see [F&D profile Key ideas:](#)

Dark Matter: why the U.S. can run large trade deficits (see the \$100 bill)

“Original sin” (why austerity used to be the default adjustment strategy for Latin Countries)

What's wrong with Chile? RH answer: it is full of Chileans... [Venezuela's unprecedented collapse](#)

<https://twitter.com/JanetGornick> CUNY Dreamers... Lehman College <https://www.cunydreamerss.org/>



Dreamer's Pizza,



Ayala serving Dreamer's Pizza