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Thesis Abstract

Linking Migrant Networks to a Firm's Decision to Export in a Model of Trade (job market paper)

I develop a general equilibrium multi-country model that allows for interaction between firm production decisions and individual migration decisions. By explicitly embedding a role for migrants to affect firm costs the model enables me to simultaneously study both the trade inducing and labour market impact of migration on source and destination countries. Changes in workers' location due to international migration can influence the number of firms that find it profitable to operate domestically or in foreign markets. This has consequences for the welfare of workers due to changes in the amount and range of differentiated products that can be purchased locally or imported for consumption. For countries with a large diaspora distributed among many countries such as that of Portugal and Poland the welfare outcomes from international migration are 100% and 50% worse relative to the benchmark case if I restrict the role that migrants have on affecting firm costs.

Accounting for Foreign-born Employees in a Firm's Decision to Export, (with Ananth Ramanarayanan)

In this paper we document the relationship between a firm's propensity to export and their composition of foreign-born workers. Members of migrant networks can play a key role in overcoming information barriers by acting as intermediaries between firms and inducing trade. Previous studies have relied on aggregate country level trade and migration flow data to study the role of migrant populations in the promotion of international trade. Using the Canadian Employer-Employee Dynamics Database-Trade by Enterprise Characteristics, a unique longitudinal dataset that links employers and employees, we provide new evidence on how valuable foreign-born workers are to firms engaging in export operations. We find that firms are more likely to export to a particular destination if they have foreign-born workers from that destination, and that language barriers make up a significant portion of the information frictions that limit firm exporting.

A Study of International Migration: Looking Beyond OECD Countries

I estimate a general equilibrium model of migration driven primarily by differences in income and migration costs across countries to replicate global migration patterns. My framework incorporates labour productivity differences across countries, worker heterogeneity in production across skill types, as well as country-pair specific costs of migration. My main finding is that for both OECD and non-OECD countries international migration has increased a worker's average wage by as much as 1.5%. The effect however is different for high and low skilled workers. High skilled workers from non-OECD countries see a gain of 3.0% compared with only 0.5% for low skilled workers. My counterfactuals also include an experiment in which countries currently on the road to European Union membership are granted the right to work in the European Economic Area without a permit; in such a case wages in large immigrant receiving European countries suffer significantly.