

# Essays in Public Policies and Immigration Control

## A Dissertation by Gurgun Aslanyan

An Outside Reader Report

Assaf Razin

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The Dissertation deals with controlling immigration in the presence of intergenerational redistributive policies in a small open economy. It consists of three chapters. Chapter 1 focuses on the intergenerational conflict that selective immigration causes in a host economy. It analyzes how policy-setting generation, at an initial stage, devises a selective migration policy. The results are driven by the skill-fertility trade-off. Chapter 2 analyzes whether the policy-setting initial population may prefer to abandon the existing unfunded social security system in order to redistribute the gains of nonselective migration from the future cohorts towards themselves. Chapter 3 analyses the proposition that increased migration, usually proposed as a tool for keeping social security solvent in an ageing economy, may actually decrease the pension benefits, due to the capital dilution that lower-skilled migration migrants cause.

The analytical framework follows Razin and Sadka (1999) and Storesletten (2003): a small-open-economy model with a population of overlapping generations of heterogeneous agents/

The focus is on whether the offspring of migrants are assimilated with the native born population in terms of fertility rates and skill level. There are young and retired, skilled and unskilled populations. Those also differ by origin, being immigrants and native-born. The native-born population can be either a descendent of a native or immigrant family. While the natives and immigrants differ in their skill distribution and fertility rates, the descendants of immigrants can undergo some assimilation. Three main assimilation patterns are analyzed: Full assimilation (adopting both skill and fertility rates), partial assimilation (adopting the skill levels but inheriting fertility rates) and no assimilation (inheriting the skill and fertility rates from the immigrant ancestors).

Another issue pursued in analysis is whether the social security system is Beveridgean or Bismarckian.

Policy setting is done at some initial stage with no repeat of policy setting at some future date. The welfare level is assessed from the point of view of the policy-setting native-born generation.

The analysis is competent and is up to scholarly high standards. The propositions are correctly arrived at. The writing is transparent. The thesis qualifies the author to be awarded a Ph.D. I would like to suggest that as a future extension of this fine thesis the author will reconsider the assumption that the policy setting is done once and for all at some initial stage with no repeat of policy re-setting at some future date. A more natural political economy setup in the overlapping framework is that voting about current migration and social security policies is done by current native

born, with the expectations that the future generation of native born will vote on future migration and social security policies. See Razin, Sadka, and Suwankiri, Migration and the Welfare State, MIT Press, 2011, Chapters 5, and 7.

The bottom line is that I strongly recommend that based on the his thesis, Gurgun Aslanyan will be awarded a Ph.D degree.

Assaf Razin

**Cornell University**

**Department of Economics**

**Ithaca, New York, 14853, USA**

**and**

**Department of Economics**

**Tel Aviv University**

**Tel Aviv 69978**

**ISRAEL**