CHAPTER 3  THE MEASUREMENT OF INCOME POLARIZATION BY ETHNIC GROUPS: THE CASE OF ISRAEL POPULATION  45

Joseph Deutsch

1 Introduction 46
2 Measuring polarization when income groups do not overlap 46
   2.1 The case of two groups of equal size 46
   2.2 The case of three nonoverlapping income groups 48
3 Measuring polarization when income groups do overlap 50
4 An empirical illustration 53
   4.1 The case of nonoverlapping groups 53
   4.2 The case of overlapping groups 57
Appendix A. On the concept of Shapley decomposition 62
References 65

CHAPTER 4  THE EFFECTS OF SCHOOL QUALITY IN THE ORIGIN ON THE PAYOFF TO SCHOOLING FOR IMMIGRANTS  67

Barry R. Chiswick and Paul W. Miller

1 Introduction 68
2 Methodology 70
3 Country-level data 72
4 Empirical assessment 78
   4.1 Aggregate-level analyses 80
   4.2 The role of age at migration 85
   4.3 Reference education, overeducation and undereducation, and PISA scores 86
5 Conclusion 92
Acknowledgments 93
Appendix A. Definitions of variables 93
Appendix B. Analyses using the Hanushek and Kimko data
   B.1 Analyses of Hanushek and Kimko using full sample of 73 countries 95
   B.2 Analyses of Hanushek and Kimko indices using subset of countries with both PISA and Hanushek and Kimko measures 96
   B.3 Analyses of PISA scores using subset of countries with both PISA and Hanushek and Kimko measures 98
Appendix C. Supplementary results 102
References 102
CHAPTER 5
DEVELOPMENT AND MIGRATION:
LESSONS FROM SOUTHERN
EUROPE
Riccardo Faini and Alessandra Venturini

1 Introduction 106
2 The pervasiveness of home bias 107
3 A simple migration model 110
   3.1 The "home bias" model 111
   3.2 The role of financial constraints 113
4 Trends in Southern European migrations 115
5 Econometric analysis 119
   5.1 The estimating equation 119
   5.2 The data 121
   5.3 Estimation methods and the results 123
6 Conclusions and policy implications 129
Acknowledgments 130
Appendix. Data and variables appendix
   A1 Methodology 131
   A2 More information on European migration 132
References 133

CHAPTER 6
GEOGRAPHIC DISPERSION AND
INTERNAL MIGRATION OF
IMMIGRANTS
Neeraj Kaushal and Robert Kaestner

1 Introduction 138
2 Theoretical considerations 139
3 Empirical models 142
   3.1 Current location choice 142
   3.2 Internal migration 145
4 Data 146
5 Results 147
   5.1 Current location choice: Descriptive analysis 147
6 Current location choice: Multivariate analysis 149
   6.1 Internal migration: Descriptive analysis 155
   6.2 Internal migration: Multivariate analysis 157
   6.3 Decomposition analysis 160
   6.4 Dispersion due to changes in immigrant composition 164
7 Conclusion 166
Appendix A. Estimates of the effect of location attributes
   on the current location choices of immigrants, by country of birth 168
Appendix B. Estimates of the effect of location attributes
   on the current location choices of immigrants, by country of
   birth and year 169
Appendix C. Logitistic estimates of the effect of individual characteristics and location attributes on the inter-state migration of foreign-born persons, by country of birth

<table>
<thead>
<tr>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PART II: PRODUCTION, EARNINGS AND COMPETITION</strong></td>
</tr>
<tr>
<td>CHAPTER 7 UNDERSTANDING THE WAGE DYNAMICS OF IMMIGRANT LABOR: A CONTRACTUAL ALTERNATIVE</td>
</tr>
<tr>
<td>Christoph M. Schmidt</td>
</tr>
<tr>
<td>1 Introduction</td>
</tr>
<tr>
<td>2 The orthodoxy: Country-specific human capital</td>
</tr>
<tr>
<td>3 The contractual model</td>
</tr>
<tr>
<td>4 Optimal contracts</td>
</tr>
<tr>
<td>5 Policy implications</td>
</tr>
<tr>
<td>Acknowledgments</td>
</tr>
<tr>
<td>References</td>
</tr>
<tr>
<td>CHAPTER 8 INTERACTIONS BETWEEN LOCAL AND MIGRANT WORKERS AT THE WORKPLACE</td>
</tr>
<tr>
<td>Gil S. Epstein and Yosef Mealem</td>
</tr>
<tr>
<td>1 Introduction</td>
</tr>
<tr>
<td>2 The model</td>
</tr>
<tr>
<td>3 Concluding remarks</td>
</tr>
<tr>
<td>Acknowledgment</td>
</tr>
<tr>
<td>Appendix</td>
</tr>
<tr>
<td>References</td>
</tr>
<tr>
<td>CHAPTER 9 ETHNIC COMPETITION AND SPECIALIZATION</td>
</tr>
<tr>
<td>Martin Kahanec</td>
</tr>
<tr>
<td>1 Introduction</td>
</tr>
<tr>
<td>2 The model</td>
</tr>
<tr>
<td>2.1 Demand</td>
</tr>
<tr>
<td>2.2 Supply</td>
</tr>
<tr>
<td>2.3 The equilibrium</td>
</tr>
<tr>
<td>3 Specialization of ethnic groups</td>
</tr>
<tr>
<td>4 Discussion and conclusions</td>
</tr>
<tr>
<td>Acknowledgments</td>
</tr>
<tr>
<td>Appendix</td>
</tr>
<tr>
<td>A.1 Derivation of equilibrium properties using specific functional forms</td>
</tr>
<tr>
<td>References</td>
</tr>
<tr>
<td>Contents</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>6 Concluding remarks</td>
</tr>
<tr>
<td>Appendix A</td>
</tr>
<tr>
<td>Appendix B</td>
</tr>
<tr>
<td>References</td>
</tr>
</tbody>
</table>

**CHAPTER 16 THE SOCIETAL INTEGRATION OF IMMIGRANTS IN GERMANY**  
*Michael Fertig*

1 Introduction                                                          | 375 |
2 Economic and societal integration                                      | 378 |
3 Empirical strategy and data                                            | 380 |
4 Results                                                                | 383 |
5 Conclusions                                                            | 391 |
   Acknowledgments                                                       | 392 |
   Appendix                                                               | 392 |
   References                                                             | 399 |

**CHAPTER 17 WHO MATTERS MOST? THE EFFECT OF PARENT’S SCHOOLING ON CHILDREN’S SCHOOLING**  
*Ira N. Gang*

1 Introduction                                                          | 401 |
2 Data                                                                  | 403 |
3 Empirical Results                                                     | 405 |
4 Conclusions                                                            | 412 |
   References                                                             | 413 |

**CHAPTER 18 INTERGENERATIONAL TRANSFER OF HUMAN CAPITAL UNDER POST-WAR DISTRESS: THE DISPLACED AND THE ROMA IN THE FORMER YUGOSLAVIA**  
*Martin Kahanec and Mutlu Yuksel*

1 Introduction                                                          | 416 |
2 Literature review                                                     | 417 |
3 Background on internally displaced people and Roma population in Europe| 419 |
4 Data and descriptive statistics                                       | 422 |
5 The results                                                           | 432 |
   5.1 Income and employment                                             | 432 |
   5.2 Education and intergenerational transfer of human capital        | 438 |
6 Conclusions and policy recommendations                                | 441 |
   Acknowledgment                                                       | 442 |
   References                                                            | 442 |
PART IV: FAMILY ISSUES AND THE EFFECTS OF REMITTANCES 445

CHAPTER 19 HOUSEHOLD STRUCTURE OF RECENT IMMIGRANTS TO ISRAEL 447
Sarit Cohen-Goldner

1 Introduction 447
2 Data analysis 451
3 Conclusions 464
   Acknowledgments 465
   References 465

CHAPTER 20 CIRCULAR MIGRATION OR PERMANENT RETURN: WHAT DETERMINES DIFFERENT FORMS OF MIGRATION? 467
Florin Vadean and Matloob Piracha

1 Introduction 467
2 Framework for analysis 470
3 Background and data 472
4 Econometric specification 478
5 Empirical results 480
6 Conclusions 491
   Acknowledgments 494
   References 494

CHAPTER 21 LABOR MIGRATION, REMITTANCES, AND ECONOMIC WELL-BEING: A STUDY OF HOUSEHOLDS IN RAJASTHAN, INDIA 497
Yan Xing, Moshe Semyonov and Yitchak Haberfeld

1 Introduction 497
2 Labor migration and the role of remittances 498
3 Remittances in India 500
4 Data and variables 500
5 Analysis and findings 502
   5.1 The multiple use of remittances 502
   5.2 Descriptive overview – comparing households with and without labor migrants 504
   5.3 Multivariate analysis 506
6 Conclusions 512
CHAPTER 22 PROMOTING THE EDUCATIONAL SUCCESS OF LATIN AMERICAN IMMIGRANT CHILDREN SEPARATED FROM PARENTS DURING MIGRATION

Sara Z. Poggio and T.H. Gindling

1 Introduction 518
2 Literature review 518
3 Policy recommendations from parents and teachers 523
   3.1 Parents 523
   3.2 Teacher survey 524
4 Conclusions 530
Acknowledgments 533
Appendix 534
References 539

CHAPTER 23 CULTURAL DIFFERENCES IN THE REMITTANCE BEHAVIOUR OF HOUSEHOLDS: EVIDENCE FROM CANADIAN MICRO DATA

Don DeVoretz and Florin Vadean

1 Introduction 543
2 Theoretical considerations 545
   2.1 The demand system 546
   2.2 Demographic controls, immigration entry and assimilation 547
   2.3 Weak separability 548
3 Data and descriptive statistics 548
   3.1 Family expenditure survey (FAMEX) 548
   3.2 Prices 551
4 Empirical results 553
   4.1 Homogeneity and symmetry 553
   4.2 Weak separability 555
   4.3 Expenditure elasticities 558
   4.4 Demographic controls 563
   4.5 Immigration entry and assimilation effects 570
5 Conclusions 572
Acknowledgments 573
References 573
PART V: SELECTION, ATTITUDES AND PUBLIC POLICY

CHAPTER 24 FSU IMMIGRANTS IN CANADA: A CASE OF POSITIVE TRIPLE SELECTION?

Don DeVoretz and Michele Battisti

1 Introduction 579
2 Literature review 583
3 Data
   3.1 Data source 587
   3.2 Construction of our dataset 588
   3.3 Data selection 588
4 Regressions results 589
   4.1 OLS results 589
   4.2 Labour force activity 593
5 Two-stage models
   5.1 FSU vs. Canadian born 594
   5.2 USSR/FSU immigrants versus all immigrants 596
6 Simulations 598
   6.1 Decomposition analysis 598
7 Conclusions 601
Acknowledgments 602
Appendix A 603
References 604

CHAPTER 25 WHAT DRIVES IMMIGRATION POLICY? EVIDENCE BASED ON A SURVEY OF GOVERNMENTS' OFFICIALS

Giovanni Facchini and Anna Maria Mayda

1 Introduction 606
2 Political economy model of migration policy 607
   2.1 What drives individual attitudes toward immigration? 608
   2.2 From individual preferences to migration policy 611
3 Governments' views and policies toward immigration 614
   3.1 Governments' views toward immigration 614
   3.2 Governments' policies toward immigration 616
4 Individual attitudes toward immigrants 622
5 Individual opinions and immigration policy 630
6 Conclusions 637
Acknowledgments 638
Appendix 639
References 646
### CHAPTER 26 Changes in Attitudes Toward Immigrants in Europe: Before and After the Fall of the Berlin Wall

*Ira N. Gang, Francisco L. Rivera-Batiz and Myeong-Su Yun*

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Introduction</td>
<td>649</td>
</tr>
<tr>
<td>2 The determinants of anti-immigrant attitudes</td>
<td>653</td>
</tr>
<tr>
<td>3 The eurobarometer survey and the empirical model</td>
<td>655</td>
</tr>
<tr>
<td>4 Results</td>
<td>660</td>
</tr>
<tr>
<td>5 Changes in attitudes: a decomposition analysis</td>
<td>667</td>
</tr>
<tr>
<td>6 Summary and conclusions</td>
<td>672</td>
</tr>
<tr>
<td>Acknowledgments</td>
<td>674</td>
</tr>
<tr>
<td>References</td>
<td>674</td>
</tr>
</tbody>
</table>

### CHAPTER 27 The Implications of Social Norms on Immigration Policy

*Shirit Katav-Herz*

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Introduction</td>
<td>677</td>
</tr>
<tr>
<td>2 The model</td>
<td>680</td>
</tr>
<tr>
<td>2.1 The choice of the median voter in a one-period model</td>
<td>682</td>
</tr>
<tr>
<td>2.2 Anti-immigrant actions</td>
<td>683</td>
</tr>
<tr>
<td>2.3 The number of immigrants in the second period</td>
<td>684</td>
</tr>
<tr>
<td>2.4 A far-sighted median voter</td>
<td>684</td>
</tr>
<tr>
<td>3 The distribution of immigration over time</td>
<td>685</td>
</tr>
<tr>
<td>4 Conclusions</td>
<td>687</td>
</tr>
<tr>
<td>Acknowledgment</td>
<td>688</td>
</tr>
<tr>
<td>Appendix</td>
<td>688</td>
</tr>
<tr>
<td>References</td>
<td>688</td>
</tr>
</tbody>
</table>

### CHAPTER 28 Ethnic Fragmentation, Conflict, Displaced Persons and Human Trafficking: An Empirical Analysis

*Randall K.Q. Akee, Arnab K. Basu, Nancy H. Chau and Melanie Khamis*

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Introduction</td>
<td>691</td>
</tr>
<tr>
<td>2 Data</td>
<td>697</td>
</tr>
<tr>
<td>3 Empirical methodology and results</td>
<td>701</td>
</tr>
<tr>
<td>4 Conclusion</td>
<td>709</td>
</tr>
<tr>
<td>Appendix</td>
<td>709</td>
</tr>
<tr>
<td>Acknowledgment</td>
<td>714</td>
</tr>
<tr>
<td>References</td>
<td>714</td>
</tr>
</tbody>
</table>

### Author Index

717

### Subject Index

725