

# Seminario de Microeconomía Aplicada - The Effects of Immigration in a Developing Country: Brazil in the Age of Mass Migration

## Seminarios y talleres

El seminario de Microeconomía Aplicada del Banco de la República es un espacio para discutir los trabajos en progreso en las diferentes áreas de la microeconomía aplicada como economía del trabajo, organización industrial, economía de la salud, economía agrícola, economía de la educación, desarrollo económico, delincuencia, economía pública, economía ambiental, economía regional y urbana, entre otras. Está organizado por las sucursales de Cali, Cartagena y Medellín.

**Abstract:** The effects of immigration are reasonably well understood in developed countries, but they are far more poorly understood in developing ones despite the importance of these countries as immigrant destinations. We address this shortcoming by studying the effects of immigration to Brazil during the Age of Mass Migration on its agricultural sector in 1920. This context benefits from the widely recognized value of historical perspective in studies of the effects of immigration. But unlike studies that focus on the United States to understand the effects of migration from poor to rich countries, our context is informative of developing countries' experience because Brazil in this period was unique among major migrant destinations as a low-income country with a large agricultural sector and weak institutions. Instrumenting for a municipality's immigrant share using the interaction of aggregate immigrant inflows and the expansion of Brazil's railway network, we find that a greater immigrant share in a municipality led to an increase in farm values. We show that the bulk of the effect of immigration can be explained by more intense cultivation of land, which we attribute to temporary immigrants exerting greater labor effort than natives. Finally, we find that it is unlikely that immigration's effect on agriculture slowed Brazil's structural transformation.

**Acerca del expositor:** David Escamilla-Guerrero es profesor asistente de economía en la Universidad de St Andrews. También es investigador asociado en el Instituto IZA de Economía Laboral, el Centro de Historia Económica y Social de Oxford y el Grupo de Demografía Económica Histórica de la LSE. Sus intereses de investigación se encuentran en la intersección de la economía laboral, la historia económica y la economía del desarrollo.

**Tiempo de exposición:** 1 hora

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