**Princeton University**

**Department of Economics**

**Ph.D. Program**

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**Third Year Paper Comments**

Student: Amy Kim

Paper Title: Who Pays the Cost of Exclusion?

Second Reader: Richard Rogerson

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**Comments:**

This paper is an interesting event study of how a policy induced increase in migration costs influences the extent and nature of migration. The analysis finds that migration from China to Canada decreased markedly when Canada increased the monetary cost of migration to these individuals. The increase in costs was large relative to potential wages for this group and so if economic incentives play a significant role in shaping migration decisions one would expect this to have sizeable effects. What is more interesting is to assess the extent to which the reduction varied by skill group. The paper uses a simple theoretical framework to show that the direction of selection could go in either direction, and then carries out an empirical analysis to assess the nature of selection. The analysis is somewhat hampered by data availability, but the paper does a good job of extracting information from the available data.

Overall I found the paper to be well motivated and clearly exposited, and do not have any major comments. Collecting the data for the analysis appears to have required a fair bit of effort and the author is to be commended for doing so. One small comment is that the model framework is perhaps a bit too simplistic. While it certainly serves to convey the key economic intuition, I think a more appealing framework would have a richer description of heterogeneity that would allow one to use the model to address the fact that not all individuals above or below a particular threshold will migrate. Adding an individual specific utility cost for migration would be one way to do this. While this would not affect the substance, I think it would be a more appealing framework. A minor issue related to this is that in one footnote the author argues that higher migration to Indonesia conveys information relevant information, but this seems to ignore the fact that the distribution of costs for migrating to Indonesia are likely very different.