

ABSTRACT:

## **WHEN DO WORKERS PREFER OPEN BORDERS?**

**DR. KRISTINA SARGENT**

MIDDLEBURY COLLEGE

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Campus Griebnitzsee, house 1, room 2.31

August-Bebel-Str. 89, 14482 Potsdam

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When making the decision to move to another country for work, people take into consideration the likelihood of obtaining work, the value of that work (often relative to work at home), and the costs they face when moving and living away from home. Workers' migration decision additionally imposes externalities on the market they leave as well as the market they join. With this in mind, I build a two-country search and matching model with costs of migration for workers. I focus on fixed move costs as well as a flow cost faced anytime a worker is away from his/her country of origin. Next, I conduct a welfare analysis with varying objective functions for workers to evaluate how workers would choose between a world of open compared to closed borders. Workers typically prefer open borders to closed, with some exceptions depending on particular parameterizations and definitions of welfare. Overall, workers are usually better off in a world of open migration with migration costs and frictional labor markets.