OSTROM WORKSHOP **COLLOQUIUM SERIES**

Luca David Opromolla

Banco de Portugal, Ostrom Workshop Visiting Scholar

"Goods and Factor Market Integration: A Quantitative Assessment of the EU Enlargement"

Monday, February 17, 2020

12:00–1:00 PM • Ostrom Workshop, 513 N. Park

The economic effects from labor market integration are crucially affected by the extent to which countries are open to trade. We build a multi-country dynamic general equilibrium model to study the economic effects of trade and labor market integration in the context of the 2004 European Union enlargement. We construct migration flows by skill and nationality across 18 countries for the period 2002-2007. We exploit the timing of the 2004 EU enlargement to identify the corresponding changes in labor mobility costs. Using the model, these estimates, and the observed changes in tariffs we find that (i) new member state countries are the largest winners, and in particular low-skilled labor; (ii) welfare gains for EU-15 countries are smaller, and would have been negative in the absence of changes to trade policy. Our results highlight the importance of trade for the quantification of the welfare and migration effects from labor market integration.

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Luca David Opromolla is a Principal Economist at the Economics and Research Department of Banco de Portugal. He performs research in international trade, labour economics and industrial organization. His research focuses on firm dynamics; firms' decision to export vs. to open a plant abroad; trade costs; the role of managers' export experience; the internal organization of firms and their productivity; and the quantification of the effects of reductions in migration and trade costs.

Presentations are open to the public and are live streamed (see our website for URL and papers). You are welcome to bring your lunch. For questions, contact Allison Sturgeon (sturgeon@iu.edu; 812/855–3151).

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