

## Faculti Summary

<https://faculti.net/the-effects-of-immigration-in-a-developing-country/>

This video discusses the gaps in immigration literature, particularly emphasizing that most studies focus on developed countries, especially the U.S., while a significant portion of immigration (about 40%) occurs in developing countries. The speaker's project aims to investigate the effects of immigration in Brazil as a case study in a developing economy, highlighting the lack of comprehensive understanding in this area.

The existing research primarily addresses the labor market impacts of immigration in developed nations, with notable works examining U.S. counties and their socioeconomic outcomes tied to historical immigration patterns. In contrast, the speaker points out that previous studies on Brazil tend to focus on specific regions and historical contexts rather than providing a nationwide analysis.

The project aims to evaluate immigration's impact on agricultural development in Brazil, utilizing digitized historical census data and employing various control variables related to geography and market proximity. An instrumental variable strategy will be used to address potential endogeneity in immigrant settlement choices, looking specifically at the connection of municipalities to historical rail networks during periods of high immigration.

Preliminary findings suggest that an increase in the share of European immigrants correlates with higher farm values per hectare, indicative of agricultural development. The underlying mechanism identified is an increase in land use intensity due to temporary immigrants' higher labor efforts compared to natives.

Furthermore, the research explores whether agricultural development slows or accelerates economic transformation, with results indicating a positive link between increased farm values and improvements in literacy rates, women's employment in manufacturing, and state capacity—countering the notion that agricultural growth hinders broader economic progress.

In conclusion, the text highlights the importance of addressing the effects of immigration in developing countries to inform effective immigration policies and developmental strategies, which is particularly relevant given that over 40% of global migrants settle in these regions.