

Mechanisms of Mass Migration: An Essay in Methodological Individualism

John Alcorn*

Trinity College

Abstract

This paper is at once a complement to econometric studies of causes of migration and a contribution to methodological individualism. It opens up the black box and identifies concatenations of fine-grained mechanisms of mass migration. Key mechanisms are triggers, chains, social psychology, coalition formation, and a butterfly effect. The mass migration of Italians to the United States and the backlash of the Great Restriction illustrate these causal processes and raise questions for further research.

JEL Codes: J61, N31, N32, N33, N34, P10

Keywords: Great Emigration, free movement of labor, immigration restrictions

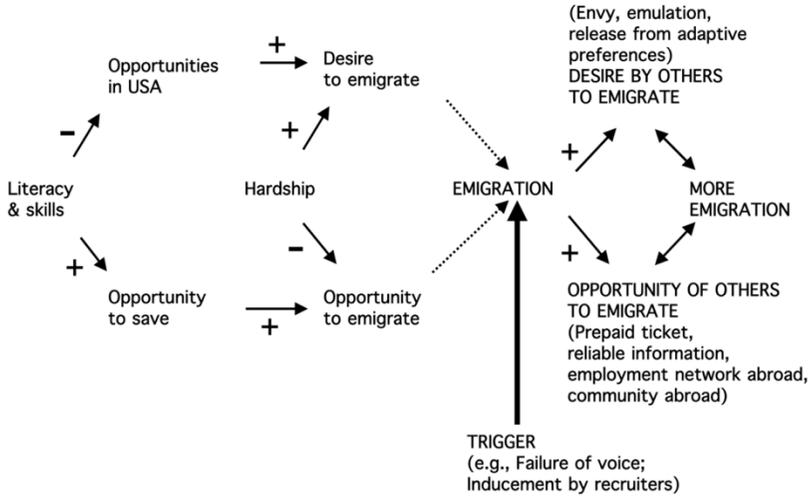
I. Chain Migration

A. A Framework of Mechanisms in Chain Migration

Chain migration is a causal process in which migration has a spillover effect on decisions by others about whether to migrate. Figure 1 represents some of the mechanisms involved in chain migration (cf. Gambetta 1998). Behavior is explained by desires and by (beliefs about) opportunities. Some mechanisms that shape desires and (beliefs about) opportunities are identified. Arrows indicate relations of cause and effect. A plus sign indicates that a cause increases the variable that it shapes, whereas a minus sign indicates that a cause decreases the variable that it shapes.

* I thank Jon Elster, Diego Gambetta, and Timothy Hatton for helpful comments.

Figure 1: Chain Migration



B. The Doubly Contradictory Effects of Skills and Hardship

The left-hand side of figure 1 depicts the doubly contradictory effects of skills (including literacy) and of hardship on the propensity to emigrate. I say “doubly” because, on the one hand, skills and hardship each may have contradictory effects, and, on the other hand, the effects of skills may counteract those of hardship (and vice versa). Hardship increases the desire to emigrate but decreases the opportunity, insofar as migration requires resources. It is plausible that the reverse is often true of skills. On the one hand, skills increase the opportunity to emigrate, insofar as they increase one’s income and thus one’s opportunity to save the resources necessary for migration. On the other hand, skills may increase the opportunity cost of migration, and thus decrease the desire to emigrate, if the skills fit the economy of the source country much better than they fit the economy of the destination country. Moreover, skilled emigrants who can only find work in unskilled occupations in the destination country thereby suffer a loss of status—unless, of course, the source country remains their point of social reference (perhaps because they intend to return there) and the higher income in the destination country, even in an unskilled occupation, enables them to increase their status in the source country by means of remittances, purchases of land, and the like. Studies of migration stress that literate and skilled persons may have special incentives to employ these skills as best they can in the source country (Massey et al. 1993, p. 436). Given the mixed possible effects of skills in general, we should look for strong, unambiguous effects of

particular skills. Skills such as the ability to read and write in Italian and to farm fava beans had little value in English-speaking, urban, industrial America, where Italian immigrants worked mainly in unskilled urban jobs and in unskilled jobs in construction and industry (Baily 1983; Klein 1983). Figure 1 is drawn to reflect this scenario.

C. How Skilled Were Italian Emigrants?

Two pieces of research offer evidence about the bearing of skills on the composition of Italian emigration. Thomas Mondshean (1986) has done statistical analysis of individual propensities to emigrate from Italy. The difficulty for this kind of research is that while we have systematic, comparable data on the characteristics of those who did emigrate—information contained in the passenger lists of immigrants arriving by ship in the United States—we do not have like descriptions of the individuals who did not emigrate. To get around this difficulty, Mondshean employs an ingenious statistical technique. (The technique is borrowed from epidemiology, where medical researchers must estimate the probability that an individual will contract a particular illness when much is known about those who have the illness but little about those who do not.) Mondshean drew random, representative samples from the microfilm copies of passenger lists in the National Archives and compared these with information contained in the Italian censuses of 1901 and 1911, along four dimensions: (i) age, (ii) gender, (iii) marital status, and (iv) literacy. For my purposes, the important finding is that from 1901 to 1911, during a decade of sustained emigration, illiterate persons became much more likely to leave. Mondshean also finds that, already in 1901, illiterate persons were somewhat more likely to emigrate than literate persons. These findings do not control for region of origin. Given the concentration of both emigration and illiteracy in the South of Italy, and given the increasing incidence of southern emigration in the national emigration rate between 1901 and 1911, Mondshean's findings might mask significant regional differences. Timothy Hatton and Jeffrey G. Williamson (1998) have tested an econometric model of some causes of variance among Italian provinces in emigration rates. Employing multivariate analysis, they find that differences in literacy rates among provinces seem “to have had no discernible effect on emigration rates” (p. 114). It appears, therefore, that Hatton and Williamson's work extends the validity of Mondshean's findings, from the national level to the provincial level. If so, then we may infer that on the eve of the Great Emigration, the poor and unskilled tended not to emigrate, because hardship prevented

them from doing so, and the skilled tended not to emigrate, because their opportunity cost was higher than that of the poor. Radical uncertainty about prospects abroad was of course a deterrent to emigration for all social classes at this early stage. Integrating Mondshean's findings and those of Hatton and Williamson, it seems that the Great Emigration was at first largely led by the semi-poor and semiskilled and that the poor and unskilled followed and then came to dominate the flow. However, a major survey and synthesis by Susan Carter and Richard Sutch of historical studies of American immigration—a study commissioned by the Panel on Demographic and Economic Impacts of Immigration—presents a different picture. Carter and Sutch (1998) write, “Whether looked at from the point of view of the attributes of the arrivals or the push versus pull controversy, the consensus among economic historians is that, before World War I, America selected immigrants from the uppertail of the skill distribution in their countries of origin” (see also Easterlin 1971). Given Mondshean's findings, Carter and Sutch make an overgeneralization. I conclude that this important issue remains unsettled, at least in the Italian case.¹ Certainly contemporary observers before World War I in the United States tended to consider Italian immigrants unskilled. Perhaps Italian immigrants appeared more unskilled in the American context than they were in Italy because they worked in unskilled occupations that did not match their “Old World,” mainly agrarian, and, to some extent, artisanal skills.

I have statistics on the occupational distribution, in Sicily, of Sicilian emigrants to all destination countries taken together.² Peasants were the largest component of emigrants throughout the Great Emigration, but the Italian statistics do not distinguish among smallholders, rental tenants, share tenants, salaried farmhands, and agricultural laborers. Unfortunately, the aggregate agrarian emigration statistics are too coarse-grained to offer any evidence about trends in the skill distribution of emigrants. Migrants from occupations in

¹ Glazier and Okeke (1994) have written a paper on socioeconomic characteristics of Italian immigrants to the United States, but they only consider the flow of migrants from 1880 to 1897, the generation before the Great Emigration.

² The category consisted of “terraiuoli, braccianti, giornalieri ed altri operai addetti a lavori di sterro, a costruzioni stradali, ecc.” (diggers, laborers, day laborers and other workers in the making of roadbeds, road construction, etc.). See Commissariato Generale dell'Emigrazione, *Annuario statistico della emigrazione italiana dal 1876 al 1925*, Table VII, “Emigranti italiani, di età superiore ai 15 anni, partiti negli anni 1876–1920, classificati secondo il sesso e la professione che esercitavano in patria: SICILIA,” pp. 273–74.

earthworks and roads grew in numbers at a very great rate beginning in 1900. This category seems to have been mainly unskilled, hard labor. Perhaps the particularly strong growth of this category during the Great Emigration is evidence of a trend toward less skilled emigrants over time, and perhaps this trend occurred within the category of peasants, too.³

D. The Need for a Strong Trigger to Set Emigration in Motion

To return to the process depicted in figure 1, the central point is that, because individual attributes such as income and skills create a tangle of contradictory incentives and effects, a strong trigger is required to cut the Gordian knot and to set emigration in motion. My hypothesis is therefore that the local nature of triggers is what explains a good part of the geographical variation in rates of emigration from Italy. For example, in Sicily, one of the triggers was the defeat of peasant collective action in form of the suppression of the Sicilian Leagues in 1894. The defeat of “voice” was a trigger of “exit.” To note another instance of a trigger, heavy emigration from the Veneto region in the 1880s was set in motion by inducements from recruiters, who offered subsidies to work on coffee plantations in Brazil (Hatton and Williamson 1998, p. 102).⁴ Well-known triggers of great migrations from other lands are the Great Famine in Ireland and religious persecution of Jews in Eastern Europe.⁵ Conversely, there are cases where the economic and demographic forces that tend to cause emigration were in place, but emigration did not take off. For example, Kevin O’Rourke and Jeffrey Williamson (1997) write, “Portugal and Spain . . . were unable to exploit emigration possibilities. . . . Oddly enough, comparative debates over performance around the

³ See the category “agricoltori, pastori, giardinieri, boscaioli ed altri addetti a lavori campestri” (farmers, shepherds, gardeners, foresters and other field personnel), in Commissariato Generale dell’Emigrazione, *Annuario statistico della emigrazione italiana dal 1876 al 1925*, Table VII, p. 273.

⁴ A discussion of information problems that faced potential emigrants, and of the role played by recruiters as triggers of emigration, can be found in Curti and Bier (1950).

⁵ What mechanisms might help to explain differences in local emigration rates within provinces that exhibited some substantial emigration? Diego Gambetta identifies two possibilities. First, one can imagine a random trigger: among villages that are similar in terms of economic and demographic forces, one might happen to have an unusually adventurous family that makes the leap in the dark and migrates, then pulls the rest of the village after it. Second, one can imagine a nonrandom local trigger: trouble with the law, which can push someone to emigrate, with others then following his pull. Diego Gambetta, personal communication, on file with author.

[European] periphery have said little about . . . the inability of some poor countries to exploit emigration while others exploited it so well. These questions warrant more attention” (pp. 172, 185; see also Williamson 1998, p. 10). Perhaps a systematic comparative study of (i) the presence and absence of triggers, (ii) the propensities of one and the same mechanism either to trigger or to block emigration, depending upon the circumstances, and (iii) the degree of tightness of the poverty constraint⁶ might yield some useful results. For example, as noted above, defeat of collective action may be either a trigger (as in the Sicilian case) or a block (by sharply exacerbating the poverty constraint).

E. Mechanisms Sustaining Emigration

Once emigration is set in motion, a different picture emerges. As figure 1 shows, emigration has unambiguously positive effects on both the opportunity and the desire of others to emigrate. Moreover, each positive effect is supported jointly by several different mechanisms. Envy (more specifically, the desire to provoke envy), emulation, and release from adaptive preferences are all plausible psychological responses by young people back home to one’s successful emigration. Similarly, the growth of emigrant stock abroad cumulatively increases the opportunities of others to emigrate, in several complementary ways. It releases the poverty (or hardship) constraint, as previous emigrants can save enough to prepay the cost of passage for others to follow. It decreases uncertainty, as previous emigrants provide more reliable information about opportunities abroad. It increases employment opportunities abroad, as previous emigrants establish a job network. And it decreases the social cost of emigration, as previous emigrants provide a familiar community to new emigrants.⁷ To repeat, Hatton and Williamson find that in the Italian case the pull of emigrant

⁶ O’Rourke and Williamson (1997) argue that the poverty constraint was binding in Iberia: “Labor in the poorest parts of the periphery couldn’t finance the move and thus had lower emigration rates” (p. 172).

⁷ Perhaps the first systematic quantitative case study of these effects is found in an analysis of mid-nineteenth-century emigration from Germany by Simone A. Wegge (1998). Wegge finds that emigration networks release the poverty constraint: “Chain migration produces not only more migration but different migrants. Migrants from over 1,300 different German villages are classified as networked and non-networked. The most definitive results from comparing the two types of migrants are the figures on cash assets because they support the model’s prediction that socially networked migrants needed less cash than non-networked migrants to accomplish their migration goals” (p. 957).

stock abroad was stronger than all the other standard economic and demographic forces combined. Emigration begets emigration.

Why was the pull of emigrant stock abroad more powerful for Italians than for other nationalities? Diego Gambetta offers conjectures that might guide research on this question. The likelihood that a chain will be created and the power of the chain mechanism might be correlated with the structure, scope, and normative implications of kinship. Gambetta suggests that we ask “how far down the line” a migrant could appeal to cousins, uncles, co-villagers, and so on and expect to receive help. Other things being equal, the incidence of common surnames among emigrants might be a useful indicator of the importance of extended-kin mechanisms in creating and sustaining chains.⁸ Comparative studies of these variables might yield useful results.

Given the unusually high rate of return migration to Italy, I would note furthermore that emigration can also have some of these positive spillover effects independent of the size of the emigrant stock abroad. Return migration of successful emigrants, too, decreases uncertainty about prospects abroad for others and can release the poverty constraint, insofar as return migrants provide subsidies or loans to help others migrate. Return migrants were a key source of information for others.

As Timothy Hatton notes, the arguments that I have made about triggers and chains suggest an econometric hypothesis. In the presence of large emigrant stocks abroad and return migrants at home, the effects of the other standard economic variables—except poverty—on migration should increase. The effect of poverty on migration should diminish, insofar as emigrant stocks abroad and return migrants increase the opportunity of the poor to emigrate.⁹ To test the hypothesis would require systematic data about emigrant stocks abroad and return migrants at the provincial and local levels; unfortunately, there is no such database.

II. Poverty and Social Immobility of Italian Immigrants

A. The Pattern of Poverty and Social Immobility

In this section I discuss the causes of social immobility of Italian immigrants, for, perhaps surprisingly, they interlock with causes of chain migration. If migrant networks abroad are very effective in

⁸ Diego Gambetta, personal communication, on file with author.

⁹ Timothy Hatton, personal communication, on file with author.

sustaining further emigration, it does not follow that they are effective in promoting social mobility abroad. The Italians were the poorest immigrant group in the United States during the Great Emigration. The mean annual family income of Italians in America was roughly 20 percent less than that of other immigrants. The mean annual income of Italian men was 10 to 15 percent less than that of other male immigrants.¹⁰ Moreover, Italians had lower rates of social mobility than other immigrant groups. A striking comparison may be drawn with Russian Jews, who arrived at the same time and in comparable numbers. By 1905 in New York City, the proportion of Russian-Jewish-immigrant heads of households working in unskilled and semiskilled jobs had decreased to less than one-fifth, whereas almost three-fifths of Italian-immigrant heads of households remained in unskilled and semiskilled jobs (Klein 1983, p. 326, table 11). As Klein writes, “The Russian Jews were, of course, at the other extreme from the Italians in terms of [return migration], being the classic case of the immigrants who could not return to Europe and were therefore concerned most completely with ‘making it’ in America” (p. 324). The US census of 1950 and a number of scholarly case studies of occupational, educational, and social mobility reveal that the relatively low rate of upward mobility dogged the second generation of Italian Americans, too: “First- and second-generation Italians had the highest percentage of unskilled, nonfarm laborers and the lowest percentage of professionals of all major immigrant groups” (p. 327). Only the third generation of Italian Americans—the grandchildren of the first generation of immigrants—really got a seat on the American train.

B. A Cause: The Pattern of Settlement

Why were the Italians the poorest, and why did they lag in social mobility? The process was complex. Herbert Klein (1983) emphasizes the geographical pattern of settlement by Italian immigrants in the United States: “The decision of Italians . . . to concentrate in the oldest regions (seventy-two percent lived in the Northeastern states in 1910) and primarily in urban areas (seventy-eight percent) in the long run had a negative impact on their potential social and economic mobility. That this decision . . . was a reasonable one in terms of earning potential for unskilled laborers in turn became a negative factor in their possibility

¹⁰ The mean family income of Italian immigrants was 15.5 percent of the mean family income of “all foreign born,” a group that includes the large number of Italian immigrants. The mean income of Italian men was 8.4 percent of the mean income of “all foreign born males” (Klein 1983, p. 325, table 11).

for advancement once a permanent community had been established” (pp. 326–27). I now simply identify and sketch two further mechanisms—discrimination and remittances—that Klein indicates and that bear closer specification and development. It will again be useful to draw a distinction between static and dynamic perspectives. At any moment (that is, in a static perspective), discrimination may limit the opportunity for social mobility. Over time (that is, in a dynamic perspective), remittances may be part of a process that has the same effect. As we shall see, it turns out that remittances, in particular, were a cause of further emigration, a particularly strong link in chain migration.

C. A Static Mechanism: Discrimination

Explanations that identify discrimination as a cause of social immobility focus on ways in which preferences and information constrain opportunities. Did Italians have fewer opportunities than the “native stock” and than other immigrant groups from Europe who came at the same time? If so, what were the constraints? The short answer to these questions is that competent economic historians agree that Italians had fewer opportunities but disagree about the constraints. Motivated discrimination—bias by employers, fellow workers, and consumers—is one way in which preferences can constrain opportunities. Paul McGouldrick and Michael Tannen (1977) provide evidence that the opportunities of immigrants from southern and eastern Europe were limited by motivated discrimination against them. Discrimination took two forms: (i) paying these workers lower wages for equally productive work (an effect estimated at perhaps 10 or 15 percent of wages) and (ii) slotting these workers in jobs below their skill level. However, research by Robert Higgs and others finds that competition prevented employers from discriminating, and that differences in wages were determined by differences in skills, literacy, and length of stay in the United States (see, for example, Higgs 1971; Hill 1975; Shergold 1976). Yet the limits of competition are not far to seek. Employers can be constrained by bias among workers or among consumers. If there was widespread anti-Italian bias among native-stock workers, who did not wish to work side-by-side with Italians, then profit-maximizing strategies might have entailed slotting Italians in jobs below their skill level in order to maintain morale and productivity among the native-stock workers in skilled positions in the firm—or even excluding Italians from particular industries. In the service sector, anti-Italian bias among native-stock

consumers might have constrained the employment decisions of owners and managers. Bias can operate in credit markets, too, with spillover effects on labor-market opportunities. Moreover, there are at least two plausible ways in which discrimination can occur without bias, insofar as search costs limit employers' and managers' information about the labor market. First, hiring often relies on referrals by current employees, who draw on social networks that follow in part ethnic and racial patterns in society. Second, employers and managers may engage in statistical discrimination if it is costly to discover whether an individual's productivity is greater than the (perceived) average of the group he or she is thought to be a member of.¹¹ It is plausible that concentration of Italians in ethnic ghettos tended to limit their social networks and to increase the social distance that encourages statistical discrimination (Cutler, Glaeser, and Vigdor 2008; Cutler and Glaeser 1997). To my knowledge, these mechanisms have not been studied systematically in pre-World War I markets, but there is evidence that all of them continue to limit the opportunities of Blacks in America (Yinger 1998; Ladd 1998; Darrity Jr. and Mason 1998; Loury 1998), although disadvantage in early family experience and in schooling may well be a more important cause than discrimination in markets (Heckman 1998). Imperfect competition provided the opportunity to discriminate; bias and the desire to economize on search costs provided the motivations. Thus the discrimination hypothesis helps to explain the relative poverty and social immobility of Italians in America. Though I have discussed discrimination as a static mechanism, it can of course have cumulative effects. Notice that in the discrimination hypothesis, the preferences and behavior of others are what constrain the opportunities of Italian immigrants. Discrimination can also change the preferences and behavior of its targets. It can either demoralize its target or inspire its target to overcome discrimination by superior work ethic. Demoralization and "we shall overcome" are dynamic mechanisms.

D. Another Dynamic Mechanism: Remittances

Notice also, however, that the discrimination hypothesis applies to Russian Jews, too. We therefore need a separate explanation for the contrasting performance of Italians and Jews in social mobility. The puzzle is compounded by another peculiarity of Italian immigrants—

¹¹ A sharp, concise discussion of these mechanisms and of some evidence bearing on them can be found in Arrow (1998).

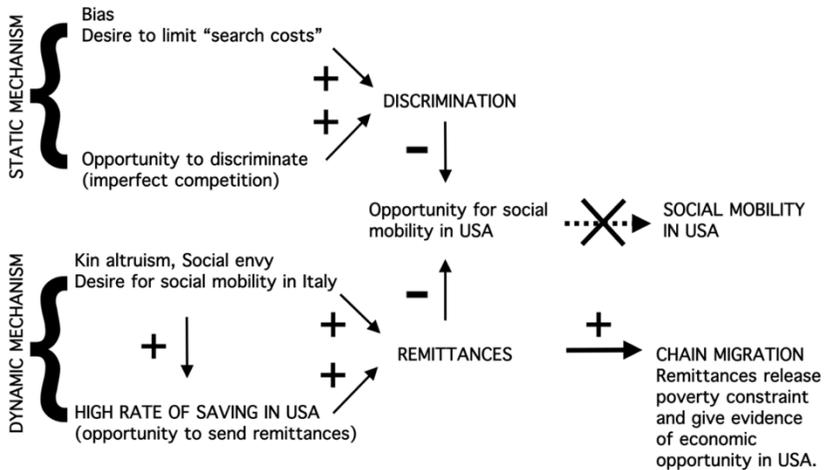
namely, the remarkable fact that, despite being the poorest group, they saved money with grim determination; indeed, the savings rate among Italians was twice as high as the average among other immigrant groups.¹² In the standard case, high rates of saving bring upward mobility, but the opposite was true of Italians in America. The beginning of an explanation of the Italian anomaly lies in what they did with their savings. Whereas other groups tended to invest savings in education, in homeownership, and in enterprises, Italians tended to allocate more savings to send home to Italy as remittances. Here I must quote Thomas Sowell (1996): “Men living in crowded and squalid conditions abroad, skimping on their personal expenses even to the detriment of their health, were often objects of pity or contempt, when in fact they were heroic in their quiet tenacity and self-sacrifice for their loved ones back home. Too proud to take charity, they were not too proud to wear rags and to do the hardest and dirtiest work spurned by others—all the while sending money home from foreign countries to fulfill their family obligations” (p. 173).

This suggests the following mechanism at work in the Italian lag in social mobility. The desire to help family in Italy (altruism toward kin) caused Italians to allocate more savings to remittances and less to investment in America. This action in turn had the unintended consequence of limiting one’s opportunities for social mobility in America. Notice that in this hypothesis, it was the actions of the Italian immigrants themselves that unwittingly constrained their opportunities for upward mobility. Klein (1983) judges this to have been the stronger of the preference-based mechanisms: “But more important than discrimination, which tended to exist in every American society that received foreign immigrants, were the preferences of the Italians themselves, and the nature of the labor market they entered” (p. 324). Notice also that the same effect can follow from different motivations. For example, especially among the many who intended to return to Italy, the relevant desires may have been to invest savings at home in Italy rather than in America and to provoke envy of oneself within the home village. Several authors of memorable portraits of social life in the agrarian South—Giovanni Verga, Luigi Pirandello, Ignazio Silone, Carlo Levi, and Edward Banfield—vividly conjure how inextricably intertwined were the motivations of kinship altruism and social envy among the peasantry.

¹² The savings rate of Italian households was 7 percent, and that of “all foreign born” households was 4 percent. Again, the latter statistic includes the large Italian component (Klein 1983, p. 325, table 10).

Klein appears to assume that those Italian immigrants who allocated savings to remittances instead of housing, education, and enterprises did so because they intended to return to Italy within a few years. I conjecture that even those who had formed a firm decision to settle more or less permanently in the United States nonetheless often allocated considerable savings to remittances to kin in Italy. Therefore, in comparison with Klein's explanation of the lag in social mobility by Italian immigrants, I would place more emphasis on the effects of allocating savings to remittances to Italy and less emphasis on the effects of the geographical pattern of settlement by Italians in the United States. As Hatton and Williamson demonstrate (see section 1), remittances and other positive spillover effects of the growth of the emigrant stock abroad released the poverty constraint in southern Italy, permitting the poor and unskilled to emigrate. In this way, remittances increased others' opportunity to emigrate. I would stress that remittances must also have increased others' desire to emigrate by shaping the beliefs of potential emigrants in Italy about opportunity in the United States. Remittances reduced uncertainty about prospects in America, for they were clear, objective evidence that incomes were high enough there to permit substantial saving. Thus figure 2 is drawn to show that (i) remittances were a strong link reinforcing chain migration and (ii) the mechanisms involving discrimination and remittances were linked, forming a cluster or concatenation in which the net effect was strong because the two different mechanisms shaping the opportunity for social mobility were of the same sign (negative). Their joint effect was to diminish upward mobility. Somewhat paradoxically, one and the same mechanism—remittances—amplified migration of Italians to America *and* limited their social mobility. It is also plausible, though I have not included this mechanism in figure 2, that over time the lack of social mobility of Italians in the United States reinforced the bias that caused motivated discrimination against them in the first place. The thought "If they don't get ahead, they must be inferior," an expression of the element of folk psychology known as just-world theory, was in all likelihood a feedback loop in the process depicted in figure 2.

Figure 2: Mechanisms Limiting Social Mobility of Italians in USA and Reinforcing Chain Migration from Italy



Diego Gambetta identifies another mechanism that might similarly have had the dual effect of increasing migration from Italy and limiting the social mobility of Italians in America. The reader will recall Gambetta’s hypothesis that the power of chain migration might depend on the scope and normative implications of notions of extended kinship. In this perspective, having a larger “natural” network of helpers (in comparison with emigrants from other societies) would (i) help individuals to emigrate *and* (ii) oblige emigrants to help many others in turn. This obligation would require expenditure of substantial resources, including remittances. If the obligation was heavy, then it might blunt incentives to accumulate wealth, rather like a discouragingly high tax rate. In any case, the overall results would be comparatively high emigration from the source country and comparatively low social mobility in the destination country.¹³

III. The Great Restriction

One important effect of the early twentieth-century wave of immigration from Italy and eastern Europe was the development of policies designed to limit immigration (Mackie 1995).¹⁴

¹³ Diego Gambetta, personal communication, on file with author.

¹⁴ See also two historical studies marshalling evidence that interest-group pressures shaped the evolution of immigration policy: Goldin (1994); Shughart II, Tollison, and Kimeny (1986). An ambitious study of the global trend toward immigration restrictions after the turn of the century, comparing processes in Australia, Argentina,

From 1787 until 1874, immigration had been limited by economic constraints, mainly the high cost of sea passage before the advent of economical steamship passage. When the cost of passage dropped, Congress introduced numerous medical, moral, and political criteria for screening and rejecting individual immigrants. In principle, each applicant for immigration was judged according to criteria of individual fitness. There was no quantitative cap on immigration. The important exceptions were Chinese labor, which was excluded as a group on the basis of an analogy between the coolie system and slave labor, and then Japanese immigrants, whose numbers were regulated by a bilateral agreement between the United States and Japan.

When Italians, Jews, and other southern and eastern Europeans began immigrating in large numbers, a coalition was formed to advocate the introduction of a literacy test to screen and reject applicants for immigration. The literacy test was a crossroads for immigration policy. On the one hand, it could legitimately be construed as a criterion of individual fitness and therefore an extension of the policy of qualitative restriction. On the other, it could be construed as an indirect way of limiting the numbers of Italians and eastern Europeans, who were assumed to be less literate than other immigrants. Thanks to this ambiguity, the literacy test was able to cement a coalition of organized labor (which favored criteria of individual fitness) and American nativists, who wished to preserve the predominance of the northern European stock—a coalition of those motivated by group interest¹⁵ and those motivated by group bias. A special commission (the Dillingham Commission) reported in 1911 that a literacy test would reduce overall immigration by one-fourth and Italian and eastern European emigration by a much greater fraction. Because immigration issues tend to crosscut party lines and can create foreign-policy difficulties, attempts by Congress to legislate a literacy criterion were vetoed by two presidents. The literacy test was finally adopted in 1917 over President Woodrow Wilson's second veto.

Brazil, Canada, and the United States, can be found in Timmer and Williamson (1998).

¹⁵ Labor had an interest in restriction because immigration weakened labor's bargaining power relative to owners of capital, as immigration was not matched by inflows of capital. O'Rourke and Williamson (1997) find that in the age of mass migration (1870–1913), “immigration appears to have augmented the United States labor force by 24 percent” (p. 171), whereas in roughly the same period (1870–1910) “capital inflows only augmented [the US] capital stock by 0.3 percent” (p. 173).

However, the end of World War I brought a renewed surge in migration, particularly of Italians. This is evidence that literacy was becoming more common in southern Italy. It might also be evidence that emigration tended to select for literacy and skills, contrary to Mondshean's (1986) findings and in keeping with Carter and Sutch's (1998) claim.

Policy makers responded by turning explicitly to a new system of quantitative restriction and group quotas—a fundamental change of principles known as the Great Restriction. The new immigration system was implemented in three steps: (i) the Emergency Immigration Act of 1921, (ii) the Permanent Immigration Act of 1924, and (iii) the National Origins Act of 1929. The 1921 act used the 1910 census as the baseline and allotted an annual quota equal to 3 percent of the foreign-born stock of each nationality. However, the nativists got the upper hand in the act of 1924, which used as a baseline the census of 1890, when there were hardly any Italian immigrants. The choice of 1890 as the baseline year in the 1924 act was divisive, but remarkably similar results were achieved in the 1929 act by switching to quotas proportional to the national origins of the entire US population in the most recent census (the census of 1920). Why was the national-origins approach less divisive even though it entailed the same results? By using current census data as a baseline, it sidestepped the contentious issue of choosing a historical baseline; the uniqueness of the present makes it salient in comparison with the plurality of possible historical reference points. Moreover, the national-origins approach could be construed as being both conservative (preserving the status quo in ethnic composition) and fair to each ethnic interest group (an instance of proportional allocation). The process by which the United States finally settled on an immigration-quota system illustrates how coalition formation involves a creative process of search for salient, impartial principles that the strong or the majority believe will protect their interests (or satisfy their preferences).

The resultant, very sharp restrictions, especially on Italian and eastern European (Jewish) immigrants, were mitigated somewhat by the admissibility of out-of-quota immigration by immediate kin of naturalized citizens. Kin-based immigration of Italians soon became more common than quota-based immigration. Nonetheless, the Great Migration from Italy to America was stopped in its tracks by the combined effects of the Great Restriction in America, a Fascist policy of autarky in Italy, and the global Great Depression. After World War

II and the fall of Fascism, Italian emigration would resume again on a grand scale, but to countries other than the United States.

IV. Conclusion: A Butterfly Effect

I have tried to produce a synthesis of two approaches—one econometric, the other involving the identification of clusters of social mechanisms—and to apply this synthesis to the history of the Great Migration of Italians to the United States. For my purposes, the central result of the econometric approach in the Italian case, viewed in comparative perspective, is that the size of the emigrant stock abroad—a force sustaining chain migration through a variety of mutually reinforcing mechanisms—was an especially significant variable. The question, then, concerns the triggers of emigration in the first place that established an emigrant stock abroad that then acted as such a powerful relay. The local nature of triggers helps to explain the regional and provincial variance in emigration rates and in the timing of emigration. The emphasis on triggers gives due attention to the place of historical contingency even in great processes driven largely by economic and demographic forces. Chain migration and low rates of social mobility of Italians in America were connected by a common mechanism: the allocation of savings to remittances. The massive Italian immigration in the United States inexorably sowed the seeds of its own demise—decades before the economic and demographic forces that cause migration could completely run their course—by causing resistance to immigration, resistance which eventually ushered in a coalition of organized labor and nativists for country quotas.

I conclude by mentioning another historical contingency, one that occurred in the United States in 1898 and was equally pregnant with historical consequences. By the end of the nineteenth century, conditions were ripe for an exodus of Black sharecroppers from the Black Belt in the South to the industrializing cities of the North. The flood of Italian and eastern European immigrant labor had the indirect effect of keeping Blacks bottled up in the South (Collins 1997). And this flood almost did not happen. As Claudia Goldin (1994) explains, “Although [President] Cleveland vetoed [restrictive immigration legislation, including a literacy test] in 1897, his successor, McKinley, ran on a Republican platform that called for the literacy test. It is doubtful that McKinley, having run on a platform calling for the literacy test . . . would have vetoed it. Had but two members of the House changed sides in 1898, the literacy test would have become law” (p. 230). She concludes, “A regime change was inevitable. From the

early 1900s to 1917 it was just a matter of waiting for some exogenous force—an economic downturn, a war, a rash of labor unrest—to close the door. That seventeen million slipped through from 1897 is the miracle” (p. 256).¹⁶ Had two congressmen voted differently in 1898, perhaps the Black migration—which became substantial in the 1920s, dipped during the Great Depression, and swelled enormously from the 1940s onward—would have happened a generation earlier,¹⁷ the ratio of Blacks to whites in the American population would have been substantially greater, the ethnic composition of whites would have been less diverse, and the religious composition of Americans would have been less diverse and more heavily Protestant. How different America would be! Italy, too, would surely have had a different history, but even undisciplined counterfactual speculation does not enable me to imagine what it might have looked like.

References

- Arrow, Kenneth J. 1998. “What Has Economics to Say about Racial Discrimination?” *Journal of Economic Perspectives* 12, no. 2 (Spring): 91–100.
- Baily, Samuel L. 1983. “Italian Immigrants in Buenos Aires and New York.” *American Historical Review* 88: 281–85.
- Carter, Susan B., and Richard Sutch. 1998. “Historical Background to Current Immigration Issues.” In *The Immigration Debate: Studies on the Economic, Demographic, and Fiscal Effects of Immigration*, eds. James P. Smith and Barry Edmonston. Washington, DC: National Academies Press.
- Collins, William J. 1997. “When the Tide Turned: Immigration and the Delay of the Great Black Migration.” *Journal of Economic History* 57, no. 3 (September): 607–32.
- Curti, Merle, and Kendall Bier. 1950. “The Immigrant and the American Image in Europe, 1860–1914.” *Mississippi Valley Historical Review* 37, no. 2 (September): 203–30.
- Cutler, David M., and Edward L. Glaeser. 1997. “Are Ghettos Good or Bad?” *Quarterly Journal of Economics* 112, no. 3 (August): 827–72.
- Cutler, David M., Edward L. Glaeser, and Jacob Vigdor. 2008. “When Are Ghettos Bad?: Lessons from Immigrant Segregation in the United States.” *Journal of Urban Economics* 63, no. 3 (2008) 759–74.

¹⁶ Goldin implicitly assumes either that a literacy test would have been more effective in 1898 than it was in 1917 or that, if a literacy test were ineffective in 1898, then it would have been followed by other, more effective restrictions on immigration, as occurred after World War I.

¹⁷ There were approximately nine million Blacks in the United States in 1900. Therefore, Blacks could not possibly have matched the numbers of European immigrants. Presumably, the difference in labor supply would have had substantial economic consequences.

- Darity Jr., William A., and Patrick L. Mason. 1998. "Evidence on Discrimination in Employment: Codes of Color, Codes of Gender." *Journal of Economic Perspectives* 12, no. 2 (Spring): 63–90.
- Easterlin, Richard A. 1971. "Influences in European Emigration before World War I." In *The Reinterpretation of American Economic History*, eds. Robert Fogel and Stanley Engerman, 384–95. New York: Harper & Row.
- Gambetta, Diego. 1998. "Concatenations of Mechanisms." In *Social Mechanisms: An Analytical Approach to Social Theory*, eds. Peter Hedström and Richard Swedberg. Cambridge: Cambridge University Press.
- Glazier, I. A., and B. Okeke. 1994. "Socioeconomic Characteristics of Italian Emigrants from the US Passenger manifests, 1880–1897." Paper presented to the Eleventh International Economic History Congress, Milan, Italy.
- Goldin, Claudia. 1994. "The Political Economy of Immigration Restriction in the United States, 1890 to 1921." In *The Regulated Economy: A Historical Approach to Political Economy*, 223–58. Chicago: University of Chicago Press.
- Hatton, Timothy, and Jeffrey G. Williamson. 1998. *The Age of Mass Migration: Causes and Economic Impact*. New York: Oxford University Press.
- Heckman, James J. 1998. "Detecting Discrimination." *Journal of Economic Perspectives* 12, no. 2 (Spring): 117–26.
- Higgs, Robert. 1971. "Race, Skills, and Earnings: American Immigrants in 1909." *Journal of Economic History* 31, no. 2 (June): 420–28.
- Hill, Peter J. 1975. "Relative Skill and Income Levels of Native and Foreign-Born Workers in the United States." *Explorations in Economic History* 12: 47–60.
- Klein, Herbert S. 1983. "The Integration of Italian Immigrants into the United States and Argentina: A Comparative Analysis." *American Historical Review* 88: 306–29.
- Ladd, Helen F. 1998. "Evidence on Discrimination in Mortgage Lending." *Journal of Economic Perspectives* 12, no. 2 (Spring): 41–62.
- Loury, Glenn C. 1998. "Discrimination in the Post-Civil Rights Era: Beyond Market Interactions." *Journal of Economic Perspectives* 12, no. 2 (Spring): 117–26.
- Mackie, Gerry. 1995. "U.S. Immigration Policy and Local Justice." In *Local Justice in America*, ed. Jon Elster, 227–90. New York: Russell Sage Foundation.
- Massey, Douglas S., Joaquin Arango, Graeme Hugo, Ali Kouaouci, Adela Pellegrino, and J. Edward Taylor. 1993. "Theories of International Migration: A Review and Appraisal." *Population and Development Review* 19, no. 3 (September): 431–66.
- McGouldrick, Paul F., and Michael B. Tannen. 1977. "Did American Manufacturers Discriminate against Immigrants before 1914?" *Journal of Economic History* 38, no. 3 (September): 723–46.
- Mondshean, Thomas. 1986. "Estimating the Probability of Emigration from Individual-Specific Data: The Case of Italy in the Early Twentieth Century." *International Migration Review* 20, no. 1: 69–80.
- O'Rourke, Kevin H., and Jeffrey G. Williamson. 1997. "Around the European Periphery 1870–1913: Globalization, Schooling, and Growth." *European Review of Economic History* 1: 153–90.
- Shergold, Peter R. 1976. "Relative Skill and Income Levels of Native and Foreign-Born Workers: A Re-examination." *Explorations in Economic History* 13: 451–61.
- Shughart II, William F., Robert D. Tollison, and Mwangi S. Kimenyi. 1986. "The Political Economy of Immigration Restrictions." *Yale Journal on Regulation* 4: 79–97.
- Sowell, Thomas. 1996. *Migrations and Cultures: A World View*. New York: Basic Books.

- Timmer, Ashley S., and Jeffrey G. Williamson. 1998. "Immigration Policy Prior to the 1930s: Labor Markets, Policy Interactions, and Globalization Backlash." *Population and Development Review* 24, no. 4 (December): 739–72.
- Wegge, Simone A. 1998. "Chain Migration and Information Networks: Evidence from Nineteenth-Century Hesse-Cassel." *Journal of Economic History* 58, no. 4 (December): 957–86.
- Williamson, Jeffrey G. 1998. "Real Wages and Relative Factor Prices in the Third World 1820–1940: The Mediterranean Basin." Harvard Institute of Economic Research Discussion Paper No. 1852, Harvard Institute of Economic Research, July.
- Yinger, John. 1998. "Evidence on Discrimination in Consumer Markets." *Journal of Economic Perspectives* 12, no. 2 (Spring): 23–40.

The Association of Private Enterprise Education

2022–2023 Officers

President

Claudia Williamson
University of Tennessee at
Chattanooga
Probasco Distinguished Chair
of Free Enterprise
Chattanooga, TN

Vice President

Daniel Houser
George Mason University
Interdisciplinary Center for
Economic Science
Fairfax, VA

Secretary/Treasurer

Benjamin Powell
Texas Tech University
Free Market Institute
Lubbock, TX

Past President

Nicolás Cachanosky
Metropolitan State University
of Denver
Department of Economics
Denver, CO

Editor

Edward P. Stringham
The Journal of Private Enterprise
Trinity College
Shelby Cullom Davis
Endowment
Hartford, CT

Distinguished Fellow and Secretary/Treasurer

Emeritus
J.R. Clark
University of Tennessee at
Chattanooga
Probasco Distinguished Chair
of Free Enterprise Emeritus
Chattanooga, TN

Distinguished Fellow

Gerald Gunderson
Trinity College
Shelby Cullom Davis Professor
of American Business
and Economic Enterprise
Emeritus
Hartford, CT

EXECUTIVE COMMITTEE

Lauren Heller
Berry College
Campbell School of Business
Mount Berry, GA

Robert Lawson
Southern Methodist University
Bridwell Institute for
Economic Freedom
Dallas, TX

Edward López
Western Carolina University
Center for the Study of Free
Enterprise
Cullowhee, NC

William Luther
Florida Atlantic University
College of Business
Boca Raton, FL

Bryan McCannon
West Virginia University
John Chambers College of
Business and Economics
Morgantown, WV

Michael Munger
Duke University
Trinity College of Arts &
Sciences
Durham, NC

Todd Nesbit
Ball State University
Institute for the Study of
Political Economy
Muncie, IN

M. Scott Niederjohn
Concordia University
Wisconsin
Free Enterprise Center
Mequon, WI

Colin O'Reilly
Creighton University
Institute for Economic Inquiry
Omaha, NE

Ramón Parellada
Universidad Francisco
Marroquín
Guatemala City, Guatemala

Audrey Redford
Western Carolina University
Center for the Study of Free
Enterprise
Cullowhee, NC

Alexander W. Salter
Texas Tech University
Free Market Institute
Lubbock, TX

Siri Terjesen
Florida Atlantic University
College of Business
Boca Raton, FL

Amy Willis
Liberty Fund, Inc.
Carmel, IN