

Immigration quotas, World War I, and emigrant flows from the United States in the early 20th century



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Abstract

Little is known about international return migration because governments rarely track out-migrants. However, one exception occurred early in the 20th century when the United States kept records of emigrants. Using within-country changes in quota allocations in 1921, 1924, and 1929 in combination with 1908–1932 data on specific countries of intended destination of the emigrants, we estimate the effect of quotas on (1) out-migration rates, (2) emigration across skill groups, and (3) the duration of temporary migrants' stays in the U.S. Higher quota restrictions reduced emigration rates, mostly for unskilled laborers and farmers. Higher quota restrictions also increased duration of stay, as the share of migrants staying less than 5 years fell and the share staying 5 to 10 years rose. Return migration behavior was also associated with changes in previous immigrant cohort's networks and savings. Return migration rates were also low during World War I, and more significant population losses from the War in home countries discouraged return migration. Finally, out-migration of German migrants increased substantially during the 1920s.
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1. Introduction

From 1908 to 1932, 12 million individuals migrated to the United States. Over the same period, four million returned to their source country.¹ Despite the magnitude of return migration, little is known about factors that influenced out-migration of prior immigrants. Using

annual U.S. administrative data from 1908 to 1932, we study a tumultuous period of U.S. immigration history that began with migrants freely moving across borders with limited institutional barriers and ended with tight restrictions on entering the U.S. and with the Great Depression. World War I interrupted migrant flows due to limited travel across the Atlantic, and soon after the War the U.S. imposed binding limits on immigration with the quota laws of the 1920s. This paper examines not only return flows to Europe, but also the skills and duration of stay of temporary migrants. While the quotas altered the numbers and composition of migrants into the U.S., little is known about how they changed migration out of the U.S.

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¹ These figures are based on U.S. administrative records from 1908 to 1932.

Despite the importance of return migration, data on temporary migrants and return migrants are limited. Researchers either use panels that follow migrants across countries (e.g., Mexican Migration Project) or use selective attrition from panels to estimate out-migration (Abramitzky et al., 2012a; Lubotsky, 2007; Van Hook et al., 2006), methods that are costly and either do not comprehensively measure emigration or do not actually observe out-migrants.² The use of administrative records that aimed to enumerate every emigrant from 1908 to 1932 allows the avoidance of such problems with respect to historical U.S. emigration. Contemporary data on return migration do not exist, but historical data are reasonably detailed. The historical data report the number of out-migrants at the time of departure (including their duration of stay and occupation upon departure), which allows the study of how out-migration changed over time with free mobility in and out of the United States (Pre-1913), as well as during World War I (1914–1918), and finally during binding restrictions of the 1920s (1917–1932).³

In this study, we take advantage of the richness of the emigration data for this time period to investigate how the quotas affected the number of departures, the duration of stay, and the occupations of emigrants. We use three distinct changes in policy that occurred in 1921, 1924, and 1929 to estimate the causal impact of the quotas on out-migration to major European countries. The quotas changed both in absolute number and in allocation across countries, which led to significant within-country changes in restrictions during the 1920s. We measure the restrictiveness of the quotas as the reduction from potential immigrant flows, with potential flows based on previous immigration flows from 1908 to 1914. Furthermore, since out-migration was recorded prior to the implementation of the quotas in 1921, we are able to verify that more and less restricted countries had similar trends of out-migration rates prior to the implementation of the restrictions, suggesting that a difference-in-difference empirical specification is valid for estimating the causal effect of the policy.

We find that following the implementation of quotas, out-migration fell more than immigration, leading to decline in emigration rates. Prior evidence suggests that migrant inflows tend to drive out local residents

² Another recent strategy to create return migration data sets is found in Abramitzky et al. (2012b) and Kosack and Ward (2014) where migrants to the United States are linked to source country censuses. However, this method is available only for countries that have digitized censuses.

³ Congress qualitatively restricted migration by requiring migrants to pass a literacy test in 1917. Later, Congress quantitatively restricted migration through immigration quotas in 1921.

(Boustan et al., 2010; Card, 2001), and that immigrants primarily affect previous immigrants in the labor market by being close substitutes (Ottaviano and Peri, 2012). Many migrants appear to have taken advantage of reduced inflows and improved U.S. employment opportunities following immigration quotas by being more likely to permanently remain in the United States rather than return to their source country. For a quota that restricted 60% of the potential flow (the average restriction for the policy during the 1920s), emigration rates fell by 22 (when Germany is separated from the analysis) to 55% (when Germany is included), an economically significant change in out-migration. The effect of the quotas fell more heavily on the unskilled and agricultural workers as their out-migration fell, whereas out-migration of semi-skilled workers and professionals was less affected. This evidence is consistent with a simple labor market model in which an immigration quota causes a large supply shock in unskilled labor markets and a mild supply shock in skilled labor markets. Moreover, those migrants who returned to their source countries stayed for a longer time before returning, likely taking advantage of improved job opportunities.

Our analysis also yields a number of other observations about emigration rates during this time period, such as that return migrants were less likely to return to war-ravaged countries, as proxied by source country's population loss. The data verify that out-migration was counter-cyclical (Jerome, 1926), and that emigration rates were associated with changes in the savings of incoming migrants, where more savings were correlated with longer durations of stay. Stronger network connections also were associated with lower out-migration rates. Finally, German migrants were much more likely to return home during the 1920s, perhaps as a result of discrimination following World War I (Moser, 2012).

2. Historical background

Our study examines three important periods in U.S. immigration history: (1) the end of the Age of Mass Migration (1850–1913), (2) World War I (1914–1918), and (3) the beginning of the first major restrictions on immigration (1917–1932), which were at first qualitative (1917) and later quantitative (1921 and beyond). An extensive literature is available on migration to the U.S. during the period of mass migration, with Hatton and Williamson (1998) and many others discussing U.S. immigration from Europe during the late 19th and early 20th centuries. However, return migration during the Age of Mass Migration has garnered considerably less interest, with only a few scholars attempting to

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