The Great Migration

Lecture 6

14 March 2025

The Great Migrations of the 19th Century

- The 19th century witnessed one of the largest and most sustained long-distance population movements in history.
- Millions of people migrated across continents, primarily as a result of technological advancements and policy changes that also facilitated the expansion of international trade.
- By the late 19th century, migration had become a major force shaping the global economy, linking labor markets, and increasing cultural exchanges between nations.

The Great Migrations of the 19th Century

Key Factors Behind Migration:

1. Minimal formal barriers: No passports or visa requirements.
2. Government encouragement in regions like Latin America (Argentina, Brazil, Chile, and Uruguay), Canada, and Australasia (Australia and New Zealand).
3. Declining transportation costs made travel more accessible.
4. Economic opportunities and better living conditions motivated migration.

Economic and Social Impacts of Migration

- Between 1850 and 1914, migration reached unprecedented levels, reshaping economies and societies across the globe.
- During this period, approximately 45 million people migrated from Europe to the Americas, marking a shift from the previous dominance of coerced African labor in transatlantic migration.
- The legacy of 19th-century migration is still evident today, as these movements laid the foundation for modern global migration patterns and economic integration.

Economic and Social Impacts of Migration

Socio-economic Effects of Great Migration

1. **Labor Market Impact:** Increased labor supply influenced job opportunities and wages.
2. **Trade and Capital Flows:** Migration facilitated international trade and investment.
3. **Business Cycle Influence:** Movement of people contributed to global economic fluctuations.
4. **Urban Growth:** Cities such as London, Paris, Singapore, Sydney, Toronto, Los Angeles, and New York saw a rapid rise in foreign-born populations.

1) Wage Gaps - The Driving Force for Migration

- A primary driver of migration in the 19th century was wage differences between regions. Workers moved from low-wage labor

  markets to high-wage labor markets to improve their living standards.
- Migration from high-density, low-wage areas to low-density, high-wage regions was a natural response.
- In the Atlantic economy, this led to mass migration from Europe to the Americas (Figure 6.1).

Gross Inter-continental Emigration from Europe: 1846-1910

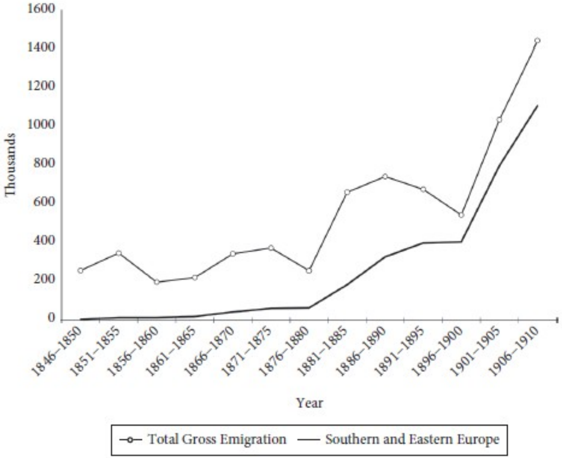

Figure 6.1 Gross Inter-Continental Emigration from Europe, 1846–1910

Source: Chiswick and Hatton (2004) © Copyright by the National Bureau of Economic Research

1) Wage Gaps - The Driving Force for Migration

Factors Contributing to Wage Gaps:

- **Factor Endowments:** Regions with a low population-to-land ratio, like the Americas, had high real wages due to the relative abundance of land and natural resources.
- **Cost of Living Differences:** In high-population-density regions such as China, India, Japan, and parts of Europe, real wages were lower, and basic living costs were higher.
- **Technological and Institutional Differences:** Higher productivity in industry and agriculture, along with labor market institutions, contributed to differences in the marginal product of labor.

Migration Patterns and National Differences

The extent of migration varied significantly among countries. Some nations experienced much higher emigration rates than others.

Migration Rates (1850-1913):

- **Ireland:** Net emigration accounted for 44% of its 1913 population.
- **Italy:** 38% of the 1913 population emigrated between 1870 and 1913.
- **Norway:** 24% of the 1913 population emigrated during this period.
- **Sweden:** 14% of the 1913 population emigrated.
- **France:** Emigration was much lower, with less than 1% of its 1913 population leaving.

These differences reflect variations in economic conditions, population pressures, and government policies toward migration during the 19th century.

2) Who Went Where and When?

One of the primary destinations for migrants in the 19th century was the United States. Immigration patterns evolved throughout the century:

- Early 19th century: Predominantly from Northwestern Europe (Great Britain, Ireland).
- 1870s: Immigration from Germany and Scandinavia dominated.
- 1880s onward: Southern and Eastern Europeans, including Italians, people from the Habsburg Empire, Ukrainians, and Russians.

Latin America also received significant immigration, particularly in the southern cone. In Brazil, Portuguese and Italian immigrants were the most numerous, alongside Germans and Eastern Europeans.

The Scale of Immigration

- Immigration rates in Argentina were twice as high as those in Canada and the United States.
- In the United States, the foreign-born share of the population remained above 10% between 1850 and 1914, peaking around 14% from the 1860s to World War I.
- East Asian migration was also significant:
  - Over 20 million Chinese emigrated, mostly to Southeast Asia.
  - Chinese immigration to the U.S. began with the California Gold Rush (1848).
  - By 1882, the Chinese immigrant population in the U.S. ranged from 100,000 to 150,000, constituting up to 10% of California's population before the Chinese Exclusion Act.

The large-scale migration of the 19th century significantly shaped the demographic and economic landscapes of receiving countries.

Total Immigration Rates 1851-1910

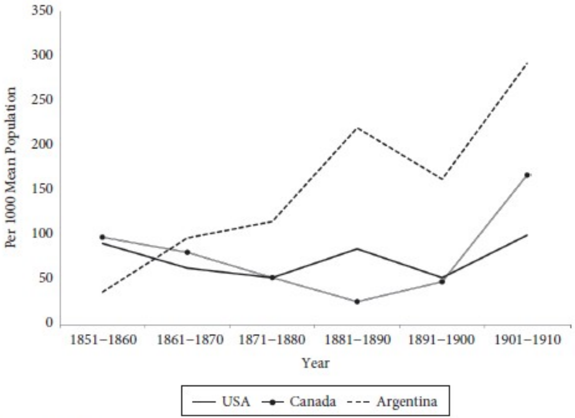

Figure 6.2 Total Immigration, Rates per 1,000 (mean) Population, USA, Argentina, and Canada, 1851–1910

Source: Author's calculations. Immigration data from Willcox (1929), population data underlying Clemens and Williamson (2004a)

Figure: Figure 6.2

Foreign Born as a Share of Population in the US

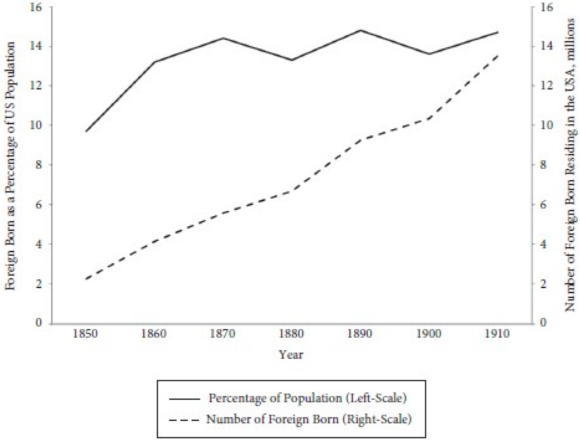

Figure 6.3 Foreign Born Residing in the United States and Foreign-Born as a Share of the Population, 1850–1910

Source: Gibson and Lennon (1999)

Figure: Figure 6.3

3) What Moves You? Transportation and Migration

The costs of migration were extraordinarily high at the beginning of the 19th century but declined dramatically by 1914. Many of the same factors that lowered commodity transportation costs also reduced the cost of human migration.

Key Factors in Declining Migration Costs:

- Expansion of railways improved connectivity.
- Declining costs of maritime transportation enabled intercontinental migration.
- More affordable travel allowed more migrants to take advantage of economic opportunities abroad.

Role of Social Networks in Migration

Migration was also influenced by the presence of "first-movers"—early migrants who provided information and support to later arrivals.

Role of Networks:

- Family members, friends, and labor recruiters provided guidance and financial assistance.
- Chain migration accelerated as established migrants sent remittances and information back home.
- Communities abroad helped new arrivals integrate into the labor market.

Demographic Forces Behind Migration

In addition to economic incentives, demographic shifts influenced migration patterns.

Key Demographic Trends:

- Young male populations were more likely to migrate due to limited job opportunities at home.
- The demographic transition in Europe resulted in high birth rates and declining death rates, creating large pools of potential migrants.
- Population pressures encouraged migration from overpopulated regions to less dense, higher-wage areas.

Peak Migration and Deceleration

Migration followed a pattern where early pioneers were followed by larger waves of migrants, reaching a peak before slowing down.

Stages of Migration:

- Early migration constrained by risks and costs.
- Established migrants encouraged further migration through financial support and information.
- Peak migration was followed by a slowdown as labor supply in source regions decreased.

Diffusion Model of Emigration

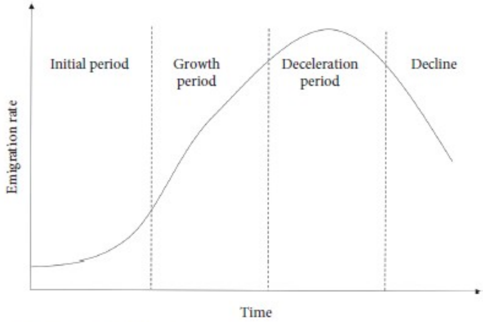

Figure 6.5 Diffusion Model of Emigration

Source: Author's adaptation based on Åkerman (1976), p. 25, Figure 2.2

Figure: Figure 6.5

4) Bird of Passage: Migration and Business Cycles

While migration contributed to long-term wage convergence, short-term movements were highly cyclical.

Key Aspects of Cyclical Migration:

- By 1914, 25-30% of migrants to the Americas had made at least one return trip.
- Net migration followed the international business cycle—rising during economic booms and falling during recessions.
- Emigration acted as a labor market "safety valve," reducing labor supply during downturns and limiting wage declines.
- Migrant remittances helped stabilize local economies after economic shocks.

The flexibility in international labor markets allowed Atlantic economies to adjust more effectively to economic shocks.

Migration and Wage Stabilization

The cyclical nature of migration played a crucial role in stabilizing wages.

Key Effects:

- During economic upturns, labor supply expanded due to increased immigration, preventing excessive wage inflation.
- In downturns, higher emigration reduced labor supply, limiting wage declines.
- Migration acted as a **safety valve**, allowing labor markets to adjust to economic shocks more efficiently.

International Labor Market Flexibility

The ability of workers to move across borders helped economies in the Atlantic region adjust to shocks.

Implications for Economic Stability:

- Countries with flexible migration patterns adapted better to recessions and financial crises.
- Business cycle fluctuations influenced not only inflows but also outflows of migrants.
- Migration trends helped synchronize labor markets across countries.

The Role of Migrant Remittances

Migrant remittances played a critical role in stabilizing economies after economic shocks.

Key Contributions:

- Financial support from emigrants helped sustain families in home countries.
- Remittances provided an alternative income source during economic downturns.
- Countries receiving high levels of remittances benefited from increased economic resilience.

US Immigration and Business Cycle

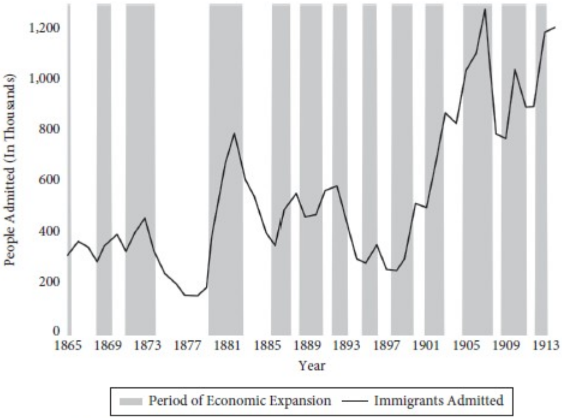

Figure 6.6 US Immigration and the Business Cycle, 1865–1913

Source: Immigration: United States Bureau of the Census, Historical Statistics of the United States (1960) series C88; Business cycle dates: Burns and Mitchell (1947)

Figure: Figure 6.6