

EUROPEAN IMMIGRATION INTO LATIN AMERICA, 1870-1930*

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Abstract

Latin America is not fully incorporated into current debates on the cost and benefits from Atlantic migration despite the fact that 13 million of European migrated to that region between 1870 and 1930. This paper draws together, in the form of a survey, a number of different aspects of the Latin America immigration experience since the late nineteenth century to 1930. It deals mainly with the River Plate, Brazil and Cuba, the major receivers of European immigrants. The topics covered include migration trends, national origin of the flows, evolution of real wages and presents new data on the cost of passages. This is followed by an examination of the immigrants' contribution of economic growth in Latin America dealing basically with the issue of human capital brought in by immigrants. Changes in the composition of the labour force and long run impacts of immigration on demographic structure are also examined. In addition, the paper includes some new venues for future research.

”Speculation is an effective way of presenting a broad view of the field; and that so long as it is recognized as a collection of hunches calling for further investigation rather than a set of fully tested conclusions, little harm and much good may result”. Simon Kuznets (1955), *Economic Growth and Income Inequality*.

The role of Latin America in the international economy has changed in many ways since the late nineteenth century particularly in relation to the international labour market. Around 1900, Latin America was an area of destination for millions of immigrants, mainly Europeans. By the end of the twentieth century, Latin America had experienced a “population explosion” and the region is no longer an area of immigration. On the contrary, one of the main features of almost all Latin American countries nowadays is the high volume of emigration to the United States and Europe. This paper concentrates on the so called “age of mass migration”, 1870-1930, and will attempt to bring Latin America histories of migration in the Atlantic economy, a history still biased clearly in favour of the United States Immigration history has been guilty of an “American bias” even though since the 1960s historians like Frank Thistlethwaite (1960) and John D. Gould (1979, 1980) praised for a comparative approach in immigration research. The revival of migration studies in the 1990s showed an effort to integrate countries other than the US, Argentina being the case in point, (Hatton and Williamson 1998) but the core of the analysis is still the American experience¹.

Needless to say that immigration in Latin America was not a new phenomenon in the 1870s. Scattered immigrants had been arriving to the region since the 1830s and in the middle decades of the nineteenth century there was a substantial number of immigrant colonies in Brazil, Chile, Argentina, Paraguay and Mexico. Slave trade had also been a traditional inflow of foreign population, particularly to Brazil and the Caribbean, and Latin America had been well integrated in the international labour market through the Atlantic slave trade.

Although Latin America had tried to attract immigrants after Independence, it was not until the 1870s and the 1880s that immigration reached proportions that changed the

¹ This is not to imply that there has not been good monographic work in recent years. The point here is that research on immigration in Latin America is still a comparatively neglected field, that it is a field dominated by a narrow conception of the “Atlantic Economy” and that the best hope of a new advance is to take a new look at the subject from a global perspective and introducing, when possible, different

social and economic evolution of several countries, especially Argentina, Brazil, Cuba and Uruguay which are the focus of this paper.

Section I discusses migration trends, national origins of immigrants, the evolution of real wages and the costs of passage across the Atlantic. The section makes comparisons among Latin American countries with the United States. Section II concentrates on the immigrants' contribution to economic growth in the region by analysing the human capital brought in by immigrants (proxied by literacy and occupations). Section III explores the long run consequences of immigration by way of analyses of the composition of the labour force, demographic structure and age distribution. A final section will conclude exploring new venues for research particularly immigrants contribution to social capital formation in the host countries.

Section I. Migration Trends

Improvements in transport and communication over the nineteenth century and the progressive elimination of institutional barriers to commerce induced an impressive increase in commodity and factor mobility. About 60 million Europeans migrated to economies of the New World characterized by scarcities of capital and labour and by cheap and abundant land. Not all countries in Latin America suffered from labour scarcity. Mexico had a relatively large native population and Brazil had both a large slave and free labour force. In 1870 the Argentine population was less than 2 million, the Cuban population 1.3 million and Uruguay had a little more than 350,000 inhabitants. In contrast, the Brazilian population was nearly 10 million people and Mexico had around 9 million (Sánchez-Albornoz 1974). Resource abundance with labour scarcity certainly characterized the River Plate area and the Brazilian hinterland. Nevertheless, almost all Latin American governments tried to attract foreign labour to prevent labour shortages in specific sectors of the national economies and some governments thought that immigration of culturally "superior" Europeans could contribute to economic and social modernization.

From 1850 onwards Europe was the main supplier of both capital (Taylor 2003) and labour to the world. Ferenczi and Willcox, (1929, 1931) document the main trends in international migration and show that the majority of European immigrants went to the United States (Table 1). Until the last quarter of the nineteenth century Latin America

points of view. Mckeown (2004) recently praised for the inclusion of Asian and African migrations in the global view of historical migration.

remained marginal to international market in free labour². Political instability in several new Republics; the low demand for free labour in the majority of Latin American countries who possessed either large native populations (Mexico) or used slaves (Brazil and Cuba); the high cost of the passage; unfavourable geographies and climates in the hinterland; unattractive political and cultural characteristics; all help to explain why Latin America lagged well behind the United States as a destination for immigrants. After 1870 the situation changed. Political stability and the emergence of policies design to attract foreign immigrants that had been growing since the 1850s and 1860s including religious freedom, rights of private ownership and respect for civil rights, friendlier attitudes towards foreigners, all helped. For example the 1853 Argentinean constitution even gave foreigners advantages over nationals such as exemptions from military service. However, the most powerful agency for change was the boom in global demand for primary produce. Exports rose, capital flows from Europe came on stream and investment in railways altered prospects for the exploitation of the regions abundant in natural resources (Bethell 1986, Bulmer-Thomas 1994).

Argentina, Brazil after the abolition of slavery, Uruguay and Cuba were the main destination for foreign labour. More than 90 percent of the 13 million European immigrants who travelled to Latin America between 1870 and 1930 chose these four countries although modest immigration flows to countries such as Chile, Venezuela or Mexico occurred. Others like Paraguay or Peru failed almost completely to attract European immigrants.

Gross figures differ considerably from net immigration supposedly because one of the main features of European immigration to Latin America was an exceptional rate of return migration³ (Gould 1980). Sánchez-Albornoz (1986) estimates that between 1892 and 1930 only 46 percent of immigrants remained permanently in the state of Sao Paulo and the same rate is found in Cuba (47 percent) between 1902 and 1930. For Argentina it has been calculated that the rate of return was around 53 percent (Rechini de Lattes and Lattes 1975). But return migration increased all over the world from the 1880s onwards. For example an increasing fraction of those who migrated to the United States

² The distinction between free and coerced labour is important here since Latin America was one of the major participants in the Atlantic slave trade. Klein (1999), Eltis (1983)

³ Estimation of net immigration is also particularly difficult for some countries like Brazil where departure records are of dubious reliability because of serious underestimation. Some scholars have attempted to refine the available national statistics for European emigration. Among others, see Costa Leite (1987) and Baganha (1991) for the Portuguese case; Sánchez-Alonso, (1990) for Spain, and Rosoli (1978) for Italy.

after 1890 never intended to remain permanently and returned to their home country. Temporary movements in search of higher wages often over long distances and across frontiers, was an established tradition in many of the regions from which the “new” immigrants were drawn.

Net immigration in Argentina over the period 1881-1930 reached 3.8 million. Uruguay attracted nearly 600,000 immigrants during the same period. More or less the same number remained in Cuba between 1902 and 1930. Whereas 200,000 people went to Chile only 25,000 immigrants entered Paraguay and Mexico received less than 18,000 net immigrants between 1911 and 1924 (Ferenczi and Willcox 1929). The ability of Argentina to attract large numbers of immigrants relative to its own population is striking not only in the American context but compares favourably with Australia and Canada (Table 2). In 1910-14 foreigners represented 14.5% of total population in the United States but around 30% of the total population in Argentina. *Prima facie*, immigrants could have been more significant for the development of Argentina than the United States particularly regarding the impact of immigrants upon the receiving country.

The cycles of European immigration into Latin America fit into the general trends for the Atlantic Economy and present clear fluctuations similar to the general trend of immigration in other destination countries (Figure 1). Led by Brazil and Argentina the trend moved upward in the 1880s, fell back in the 1890s, more severely in Argentina than other countries because of the Baring crisis. It was not until the turn of the century that immigration to Latin America reached really massive proportions. The period 1904-1913 witnessed the highest numbers arriving in Argentina, Uruguay and Cuba. Brazil showed more moderate upswings. Latin America only entered the age of mass migration for a short span of years prior to World War One. After the war the rate of immigration decreased although Cuba represents the main exception to the downward trend of the 1920's due to an extraordinary demand for labour to work on sugar plantations (Losada 1999; Luzón 1987).

European sources of emigration changed over time. In the central decades of the nineteenth century dominant migratory streams came from the British Isles, Germany and the Scandinavian countries. Southern and Eastern Europeans followed in the 1880s (Gould 1979). The diffusion of population pressure and industrialization across Europe

from North to South and from West to East, together with the agrarian crisis of the late nineteenth century are often invoked to account for these geographical shifts, as an “emigration life cycle” related to demographic transition, industrialization and the “pulls” of a growing stock of previous migrants abroad developed (Hatton and Williamson 1998, chap.3). Southern and Eastern European countries entered into the upswing of their emigration cycle in decades prior to World War One.

Europeans from these so called “new emigration countries” had a wider array of options open to them than those who crossed the Atlantic in the middle of the nineteenth century. They could, and many did, opt for the United States, Canada and Australia but Latin American countries made efforts around these decades to attract European immigrants as voyages by sea became shorter, safer and cheaper. Unfortunately, long-term annual series for transatlantic passage fares are not available for many European countries, particularly for Southern Europe. Table 3 presents some useful data on fares for Spanish emigrants to their three main destinations and includes (for comparison) fares paid by British emigrant en route to the United States⁴. The trend for fares to Brazil, Argentina and Cuba falls from the 1850s. The cheapest fares from Spain were for voyages to Cuba and they remained quite stable over time⁵. Although fares to Brazil and Argentina were much more expensive in the 1870s and 1880s they experienced sharp declines in the years of massive emigration. According to Cortés Conde (1979) in the 1880’s an Italian worker could finance his transatlantic trip with only 20 percent of his income but Spanish emigrants had to pay for the cost of a passage from incomes of a lower level. For an agricultural worker from the north of Spain the cost of the trip in the 1880s (measured in number of working days) was around 153 working days from a working year of around 250 days (Sánchez-Alonso 2000a) but remittances and pre-paid tickets sent home by previous generations of migrants helped to finance the moves of relatives and friends. The same situation pertained in Italy and Portugal which explains the massive emigration over the first decade of the twentieth century. Table 3 also documents a convergence between Spanish and British fares: in the first decade of the twentieth century, a period of massive emigration from Spain, when fares to Latin America moved to levels quite similar to those from Britain to the United States. Fares from Spanish ports to the United States in the years 1911-1914 cost \$40 compared to

⁴ Vázquez Gonzalez (1999). The British data are from Sacerdote (1995). I am grateful to Tim Dore for this reference and to Bruce Sacerdote for allowing me to use his unpublished data.

\$38 to Brazil, \$33 to Argentina and \$39 to Cuba (Vázquez 1999). British emigrants paid \$34 to travel to the United States in the same years. Regression analysis suggests that the roles of migratory networks, the diffusion of information (or the lack of it for the United States), culture, language and the existence of long standing colonial links in the case of Cuba explains more of the Spanish preference for Latin American countries than the cost of the travel (Sánchez-Alonso 2000b).

Furthermore, the significance of the transport revolution emigration resides less in declining fares and rather more in the increasing speed, comfort, safety, regularity and accessibility of passenger services. The average time taken to travel from Northern Spain to Cuba in the 1850s was 38 days by sailing vessels; that had decreased to around 19 days in the 1880s and the steamers could do the trip in about 9 to 12 days. On the River Plate route steamers cut the trip from around 55 days in the mid nineteenth century to 12 days in the 1910s (Moya 1998 and Vázquez, 1999). This dramatic reduction in the duration of the Atlantic crossing effectively reduced the cost of migration when the opportunity cost of the earning time wasted on board ship is added to the monetary cost of the trip which was particularly important for the temporary migrants and contributed decisively to increase the number of workers travelling to and from the Americas in search of higher wages. For seasonal migrants (such as the “golondrinas”) travelling between Italy and Argentina for harvest work, it is quite obvious that this kind of migration would have been impossible in the days of the sailing ships.

Spanish and Portuguese emigration was much more concentrated on particular destinations in Latin America compared to Italians. For example, Iberian emigrants and unlike Southern Italians did not go to North America in large numbers⁶. Although Latin America derived most of its immigrants mainly from Southern Europe, there was also a considerable flow from Central as well as from East and Southeast European countries in the years prior to the Great War⁷. All of these European regions of departure were to a far greater degree than Portugal or Spain, countries of emigration to the United States.

⁵ It should be bear in mind that Spanish data refers to prices from Galician ports. The trip from the Canary Islands to Cuba was cheaper.

⁶ It has been said that from the 1880s onwards international labour markets were segmented along a Latin versus non-Latin divide (Taylor 1994; Hatton and Williamson 1998, chap.6).

⁷ See the special issue of the *Jahrbuch für Geschichte von Staat, Wirtschaft und Geselleschaft Lateinamerikas*, 13 (1976)

Nevertheless the new and massive waves of immigrants from Southern and Eastern Europe, who joined the movement since the 1880s were different from those who crossed the Atlantic in the earlier cycles. Except those who went to Brazil late nineteenth century immigrants tended to travel alone. High proportions of them were illiterates and as common labourers entered into unskilled urban occupations rather than agriculture. They returned home in high numbers.

Traditional studies on international migration had focused on *per capita* differentials in incomes between sending and receiving regions in order to explain why people migrated but the relevant variable for studying international migration is not *per capita* income but real wage differentials⁸. People made their calculations based on future earnings and not on an unknown statistical variable such as income *per capita*.

Williamson (1999) research allows us to document levels and movements in annual real wages for Argentina, Brazil, Colombia, Mexico and Uruguay from 1870 onwards and for Cuba since 1905. His data suggests that Latin American countries could not compete for labour by offering wages at levels offered in the United States. Within Latin America hardly any country could compete with Argentina. Argentina and Uruguay display the highest wage levels up to 1914 and migrants flowed in higher numbers into Argentina than into Brazil, Cuba or Uruguay (Figure 2). Wages in Argentina and Uruguay were systematically more than 200 percent higher compared to a weighted average of wages of Italy, Portugal and Spain (Table 4 and Figure 3). They were over 160 higher in Cuba in the years prior to the Great War, and were also much higher in Mexico even though Mexico never experienced mass immigration from Europe.

Subsidies and contract labour in the coffee sector allowed Brazil to compete for labour with Cuba and the River Plate but paradoxically Italians, Portuguese, Spaniards immigrated to Brazil in large numbers even though real wages in Brazil were only 50 percent higher than average wage levels in the Mediterranean countries. The fact that the Brazilian government paid travel expenses for immigrants probably explains why Southern Europeans went to Brazil despite the relatively small gap in wages. Subsidized immigration allowed potential emigrants to Brazil to overcome the problems involved in funding long distance migration. Research has shown that Spanish emigration was

⁸ According to Maddison (2001) GDP *per capita* grew at an annual rate of 2.5 percent in Argentina, 0.3 in Brazil, 2.2 in Mexico and 1.2 in Uruguay over the period 1870-1913. Between 1913 and 1950 the growth rates for Argentina, Mexico and Uruguay decreased to 0.7, 0.8 and 0.9 respectively, whereas Brazil had a better performance (GDP *per capita* grew at 2 percent). See also Astorga and Fitzgerald (1997) for the twentieth century.

constrained by low levels of income (Sánchez-Alonso 200b). In 1911 more than 70 per cent of Spanish immigrants to Sao Paulo arrived with a subsidized passage compared to a mere 24 per cent of Portuguese who had stronger links with Brazil⁹. Furthermore real advantages of the *colono* contract also explain the attraction of Brazil. Coffee workers paid no rent, either in money, products or labour in return for some non-monetary provisions, generalizations about the *colono*'s real wages are difficult to make. Food and rent are always an important part of a worker's budget and Holloway (1980) estimates that perhaps 70 percent of a *colono* family's total income came in the form of free housing, food crops or pasture lands. The system included the security of a minimum annual income, low expenses and consequently the possibility of accumulating savings through free housing and cheap food and finally the possibility of maximizing family income by fully using the labour of all members of the family. Thus, the wage gap is quite irrelevant as an indicator of Brazilian attraction of immigrant families.

The huge wage gap between sending regions in Southern Europe and Latin American economies has led scholars to argue that the latter enjoyed the advantages associated by Arthur Lewis (1978) and others with an unlimited supply of labour. Cortés Conde (1979) and Diaz Alejandro (1970) also argued that without European immigration the supply of labour to the Argentinean labour market would have become highly inelastic and constricting for growth. Leff (1982) observed that the coffee planters in Sao Paulo benefited from two streams of cheap labour: first from slaves and thereafter from an inflow of subsidized immigrants. Immigrant workers from Europe enabled Brazilian planters to maintain wages at low levels. Output and employment in the export sector of the economy expanded over the long cycle 1880-1914 at constant real wages in the coffee plantations.

Meanwhile the native Brazilian population might well have benefited from a reduction in the supply of unskilled labour from overseas but apparently coffee planters located in the South East of this vast country preferred to subsidize immigration from overseas instead of hiring native workers from low wage areas of Northeast Brazil. Perhaps it was cheaper to pay for transport subsidies for Europeans to cross the Atlantic? Yet it seems unlikely that transportation cost of bringing workers from the Northeast to the Southeast of the country exceeded the cost of transporting workers from Southern

⁹ Klein (1999)

Europe to Brazil. Planters had after all done that for two decades after 1850 when slaves were shipped from the less remunerative sugar zones of north eastern regions to Santos and Rio de Janeiro. According to Klein (1999) high transport costs, increasingly severe export taxes and other provincial government restrictions seem to have curtailed seriously this internal slave trade by the late 1870s and early 1880s. It might be the case that this experience led planters to reject the idea of bringing native workers from the Northeast to meet expanding demands for agricultural workers in the coffee regions. Native workers from the North were certainly not immobile. Between 1872 and 1910 hundreds of thousands of workers from the Northeast migrated to the Amazon region (Holloway 1980). From 1914 through 1929 a quarter of a million native internal migrants passed through the labour system regulated by the Sao Paulo government and many others entered the region without official assistance. For some reason, planters preferred European immigrants to the peasant mulatto families from Northeast Brazil. Leff (1982) suggested racial prejudices against native mulattos, but that seems difficult to test and there is no evidence that planters in Brazil wished to develop their country on the basis of white European immigrants (to keep pace with Argentina). On the contrary, a large group of planters tried, unsuccessfully, to develop a mass immigration recruitment program from China on the eve of slavery abolition (Conrad 1975). The Brazilian government finally turned to Japan for a source of Asian workers in the early decades of the twentieth century.

The Lewis hypothesis concerning the elastic supply of labour from the Mediterranean countries has been put to the test recently. Hatton and Williamson (1994) econometric tests show that while wage gaps between Southern Europe and Latin certainly influenced emigration, the elasticities are relatively small. In all three cases (Italy, Spain and Portugal) a 10 per cent increase in the wage ratio raised emigration by less than one per thousand in the long run compared with Britain and Ireland where long run responses of 2.2 and 2.3 per thousand are observed. Their results lend little support to the prevalent view in the literature that the supply of labour from Southern Europe was highly elastic. The wage gaps may have been large but the elasticities of response seem to have been seriously constrained by high immigration and start up costs for low wage workers from Southern Europe. However, more detailed research has shown that emigration was indeed income constrained in Spain and Italy (Sánchez-Alonso 2000b and Faini and Venturini 1994). The unlimited supply of labour hypothesis still waits for a careful research particularly for Brazil which is the more challenging case to test.

Policies clearly mattered in the history of migration to Latin America. Argentina followed an open door policy (Devoto 1991). Given the high wage gaps and the existing demand for labour, not much more was needed to pull immigrants into that country. Labour market conditions, political stability and personal freedom attracted immigrants at the same time. The Brazilian state of Sao Paulo followed an active and persistent policy of subsidizing immigration from Europe as no other country did. The different policies adopted by Latin American governments need to be investigated as serious exercises in political economy and deeper explanations into conditions operating in local labour markets, particularly the impact on immigration on native workforces and long run trends in inequality¹⁰.

Section II. Immigration and Economic Growth in Latin America

Immigration countries in Latin America differ from the United States experience in the comparatively limited number of ethnic groups from whom the emigrants were drawn. Such a concentration of culturally homogeneous immigrant groups present and interesting contrast with the situation in the United States. Latin America governments failed to attract many immigrants from Northern Europe. Immigrants (mainly from Southern Europe) are usually represented as poor, backward and illiterate¹¹. This “representation” derives from comparisons of the economic backwardness of Italy, Spain and Portugal (measured in terms of *per capita* incomes) relative to Great Britain and other advanced countries in Europe. But were Italian immigrants themselves poorer than Swedish or Irish immigrants? Were Northern Italians, migrating to Argentina in the 1880s, more backward than the Irish migrants travelling to USA in the 1860s? Their relative economic qualities will be explored by analysing their occupation and literacy rates and their potential contribution to economic development in Latin America. As usual, these immigrants to Latin America were typically young adults who carried very high labour participation rates to the receiving countries. For them (singles, unskilled, young adults) the potential benefits from migrate would be greater than they would be for the population at large, particularly if they embodied lower levels of country-specific human capital (Hatton and Williamson 1998). For example, unskilled

¹⁰ See Goldin (1994) for the United States. For a preliminary approximation to Latin America, Sánchez-Alonso (2004)

¹¹ Going back to the Dillingham Commission in the USA, the general belief of the low quality of immigrants from Southern Europe has been repeated in almost all general accounts of transatlantic migration.

women, such as seamstresses, washerwomen or cooks were readily absorbed in new urban labour markets.

Immigration statistics in receiving countries record the occupation of immigrants in broad generic terms but immigrants often declared an occupation that they believed might be welcomed by a host country¹². For example, in Cuba the strong pull from the sugar sector explains why 80 to 90 percent of immigrants in the first decade of the twentieth century declared themselves to be hired hands or agricultural workers (Losada 1995). Immigration officials sometimes compiled their lists carelessly by writing ditto after the most frequently cited jobs such as farmers or agricultural workers. Passenger lists for ships are also useful to consult on the economic characteristics of immigrants but have hardly been explored for Latin American in contrast with such research for the United States and Australia. Passenger can, moreover, be linked to censuses, municipal registers or other nominative sources to trace mobility across time¹³.

Meanwhile, the broad picture which emerges from aggregate statistics is one of a flow composed overwhelmingly of unskilled rural labour. Even in Argentina, the most diversified of the host economies, the majority of arrivals were agricultural workers and day labourers (*jornaleros*). Furthermore, the low economic quality of immigrants has been a common feature of almost all accounts of Brazilian immigration. Immigrants arrived in Sao Paulo with the help from subsidized passages and it is assumed that people who went to there were from lower economic status of the groups migrating to the New World. It has even been argued that subsidized travel aimed to attract workers so destitute that they could have no choice but to work on the plantations. Thus, Brazil obtained “the poorest of the poor” (Merrick and Graham 1979). Brazilian records of arrivals show that 79 percent of Spanish immigrants through the port of Santos were classified as agricultural workers, but only 48 percent of the Portuguese and just half of Italian immigrants. The second most numerous group consisted of people with no profession, presumably women and children (Klein 1996). Most immigrants to Brazil arrived in family units and were agricultural workers, a pattern influenced by the eligibility requirements for transportation subsidies. However, the fact that emigrants to Brazil from either Portugal, Spain or Italy came from the relatively less backward areas of the north of those countries and not from the poorer south where masses of

¹² IBGE (1988) for Brazil; Republica de Cuba (1902-1932) for Cuba and Dirección General de Inmigración (1925) for Argentina

¹³ See for example Ferrie (1999) for the US and Nicholas (1988) for Australia.

agricultural day labourers were allegedly living in miserable conditions casts doubts on the expression “the poorest of the poor”.

Furthermore, distinctions between sectors such as agriculture, commerce or industry may be analytically rather meaningless and for two main reasons. First, in their countries of origin the majority of Europeans active populations were employed in agriculture. In 1911, 60 percent of the male labour force in Italy was still engaged in the primary sector and the majority of unskilled labour, no matter what their designation in the statistics, in fact lived in rural areas. Higher percentages of employment in agriculture and lower rates of urbanization are found in Spain, Portugal and other countries of origin of immigrants to Latin America. It would have been surprising that European emigrants to Latin America from Southern and Eastern Europe included lower percentages of agricultural workers than the populations of their countries of origin. Second, since immigrants often change country and occupation at the same time, especially when they are young, it is not clear whether the occupational information of immigrants on arrival is a useful indicator of their subsequent contribution to economic growth. Thus, there are two separable questions: (i) what did an immigrant bring from home? and (ii) what did he/she acquire in the Americas?

Censuses provide with some picture of the adjustment of immigrants to host labour markets. Not all Latin American censuses register population by nationality or country of origin and usually it is impossible to obtain information either on second generation immigrants, to distinguish permanent from temporary immigrants and on their length of stay in the country. Length of stay provides crucial information for any analysis of social mobility. For example, Spanish families resident in the city of Buenos Aires in 1895 worked in low wage occupations but they had been there less than 5 years and a majority had arrived in the late 1880's when the Argentinean government paid for the travel expenses (Sánchez-Alonso 1992). Given time immigrants acquired skills and took advantage of local labour markets¹⁴.

Population censuses suggest that immigration to Latin America contributed decisively to the urban labour force formation in commerce, industry, building, domestic service and general unskilled labour force. In some countries, some immigrants were successful in becoming owners of industries or commercial enterprises. Even if the goal of many immigrants had been to work on the land, post hoc and for a majority migration turned

¹⁴ That is why research with nominative data, as Moya (1998) for the city of Buenos Aires, proved so useful.

out to be a large range transatlantic move from rural to urban occupations. The highest concentration of immigrants in urban population was found in the River Plate countries. They made up 35 percent of the total urban population in Argentina in 1895 and 37 percent in 1914. In Buenos Aires the percentage was much higher. Almost half of the population of the city in 1914 was composed of immigrants (Rechini de Lattes and Lattes 1975). The ratio for Montevideo was 30 percent of the population in 1908. Immigration contributed significantly to urbanization in Latin America (Bourd e 1974, Scobie 1986). In 1910 countries attracting immigrants also had the highest percentages of their population living in towns with 20,000 or more inhabitants: Argentina 28 percent, Uruguay 30 and Cuba 28 percent, compared to the 10 percent ratio for Mexico. Exceptions to this trend included Brazil with a low rate of urbanization (12 percent) and Chile with a high rate (23 percent) although immigration was lower than in Brazil. In Southern cone countries rates of urbanization were actually higher than rates for the countries of immigrants and similar to the United States (31 percent) (Flora 1973: Mitchell 1993)¹⁵

Some historians explain the concentration of immigrants in urban activities as the outcome of land settlement policies controlled and restricted by a native wealthy oligarchy in sharp contrast with what happened in the United States (Engerman and Sokoloff 2005; Solberg 1987, among others). This stereotype can be rejected for some countries. For example, Argentina had an open market in land and many more immigrants than is generally believed became farmers (Miguez 1993, Taylor 1997, Adelman 1994). On the Pampas immigrants (particularly Italians) opted to remain as tenants or share-croppers – a rational choice given their lack of capital and knowledge of a new environment and cultivation system¹⁶. Both the time of arrival and the existence of colonial links helps to account for can differential access to the land. Italians were the most successful in acquiring land in Argentina because they were the pioneer group in the era of mass migration. In the 1880s the proportion of Italian arrivals compared to Spaniards were 14 to 1. When massive Spanish immigration to the country reached its peak in the years prior to the Great War Argentina was already more urban than the country had been in the 1880s. Some earlier immigrants to Argentina (the Welsh or the Basques) were also extremely successful in becoming landowners. The colonial links of Portuguese settlers with Brazil and Spaniards with Cuba till 1898,

¹⁵ Urbanizations rates were 27, 12 and 17 percent in Italy, Portugal and Spain respectively

¹⁶ This idea has been forcibly argued by Gallo (1983).

explain why immigrants concentrated in the urban and commercial cities like Rio de Janeiro or Havana and not in the rural sector. For example, the high proportion of Spanish-born bank clerks in Cuba in 1907 (57 percent) reflects the weight of the Spanish banks in the island years before the Independence (Maluquer de Motes 1992). Linguistic advantages and established connections with local commercial networks reinforced such trends. Although Spanish immigrants in Mexico barely reached 0.2 percent of Mexican population in 1910, their influence in the creation of Mexican industries, business and commercial enterprises has led Mexican historians to define this minority as “privileged immigrants (Lida 1994). During the *Porfiriato* Spaniards belonged to the upper middle class in the main cities of the country. By 1930 only 3 percent of the Spaniards living in Mexico were engaged in agriculture but were decidedly influential in the Mexican business sector.

Southern European immigrants to Latin American countries were generally over-represented in commercial activities in urban centres. Given high rates of return migration and considering that a high proportion of migrants never intended to settle permanently in the receiving country, what low representation among landowners might imply? Research shows that the main goal of emigrants from Southern Europe was indeed to buy land but in countries of origin (Cinel 1991, Costa Leite 1993).

The representation of immigrants to Latin America as “low quality” labour comes from comparisons carried out *within* the United States labour market that contrast “old” immigrants coming from Northern Europe and “new” immigrants from Southern and Eastern European countries. But that representation does not pertain to comparisons between Italians in Argentina and in the United States. Italian integration and mobility in the two societies differed markedly. The United States received a larger group of unskilled and illiterate day labourers from the South of Italy while Argentina received the more qualified and literate immigrants from the North. Italians who chose Buenos Aires as their destination generally achieved greater economic and social success than those who went to New York (Baily 1999). In terms of property ownership Italians did far better in Argentina than in the United States and the analysis carried out by Klein (1983) concludes that Italians were the most successful immigrant group in Argentina, more so than the Spaniards who were almost as numerous and had the advantage of the language. Moya’s more recent research has qualified Klein’s view but of Spanish immigrants in the city of Buenos Aires (Moya 1998).

Literacy has been frequently used as an indicator of the low quality of the immigrants in Latin America (Cipolla 1969). Since literacy rates were lower in sending countries than for immigrants to the United States, particularly Scandinavia, the general view that emerges from the comparison with Australia, Canada and the United States is of a relatively illiterate migratory flow to Latin America. This picture is broadly the case but needs to be qualified. For example data taken from population censuses can be biased by included the children of immigrants who acquired literacy in their host countries. It would counterfactually have been better if Latin America had attracted literate immigrants and was spared the social cost of education and training immigrant population though immigration always increases social cost to host countries.

Argentinean statistics show that 40 percent of immigrants arriving in the peak years, 1880-1886 were illiterate. In 1914, a year of massive arrivals, the percentage had slightly increased to 42 whereas after the Great War it was much lower (18 percent). Since Argentina received masses of immigrants it might be assumed that their literacy level was lower than more selective flows. However, the most diversified and urban economy of Argentina might a priori have attracted more literate immigrants than other Latin American countries. The latter seems not to be the case. Only 34 percent of immigrants older than 7 who arrived to the port of Santos in Brazil between 1908 and 1936 were illiterate. There was sharp differences among national groups: the lower levels of literacy corresponded to Spaniards (65 percent of illiterates) while the Japanese showed the highest levels of human capital with only 10 percent illiterates. Among the European groups 32 percent of the Italians and 52 percent of the Portuguese were illiterate. The broad picture show an illiteracy rate of 56 percent for immigrants compared to 73 percent for the native born population of Sao Paulo State in 1920 (Klein 1996).

The argument that subsidized immigration attracted more ignorant immigrants to Brazil is confirmed for the Spanish flow but it can be qualified for other migrant groups. Spaniards seemed to have chosen their destinations according to their education. More literate Spanish immigrants were to be found in Cuba before 1898 because of the colonial status of the island. But Cuba continued to attract literate Spaniards even after Independence. Thus the proportion of literate Spanish immigrants arriving on the island ranged from 63 percent in 1912 to 94 in 1924 (Losada 1999). Even with a high demand for unskilled labour on the sugar plantations the percentage of literates among Spanish

immigrants increased¹⁷. Among the small numbers of Spanish emigrants who went to the United States in the 1890s, 90 percent were literate, a proportion that raises some doubt on research done stressing the huge literacy gaps among Scandinavians and some “new” immigrants in the United States (O’Rourke and Williamson 1997)¹⁸.

According to Argentinean population census only 26 percent of Spaniards over the age of seven living in Argentina were illiterate in 1914 compared to 50 percent of the total Spanish population in 1910. Illiteracy rates in Italy were 38 percent in 1911, a percentage similar to that of the Italians living in Argentina. In Portugal nearly 70 percent of population were illiterate in 1910 compared with only 52 percent of Portuguese immigrants to Sao Paulo (table 5).

The issue is whether the proportion of immigrants possessing some levels of literacy was higher than those who remained at home, that is, if migrants were positively selected. Given the selectivity of migrants by age distribution and given the concentration of Southern Europeans emigrants from few regions, the comparison of immigrants’ literacy rates with overall rates of residents is inadequate. In the three main European countries of origin, the northern regions from where the majority of immigrants were drawn tended to be more literate than other parts of the country, particularly in the Italian case. But in Italy the selectivity of the transatlantic migratory flow seems to have been lower than in other countries: the larger the migratory flow the closer the typical emigrant would be to the average population of origin. When immigrant’s literacy is compared to literacy rates of potential emigrants from regions of high emigration the selectivity of the process appears quite clear for Spain and Portugal. In Spain 66 percent of Galician males aged 16-20 were literate in 1910 and the corresponding figure for population of Asturias, where the majority of emigrants went to Cuba, was more than 80 percent. The Canary Islands with low literacy rates and high emigration rates to Cuba and Venezuela are the exception to the general conclusion that Spanish emigrants were highly selected by literacy levels (Sánchez-Alonso 1995). In Portugal in the years 1890-1893 comparing male illiteracy rates among immigrants with those of the population from which the emigrants were selected shows that 68 percent of males in the emigrant’s age group were illiterate compared to 52 percent of

¹⁷ Data might also reflect the general upward trend in Spanish literacy in the 1920s.

¹⁸ O’Rourke and Williamson (1997) present literacy rates in Europe using data reported for (mainly young adult) immigrants by the United States authorities in the 1890s. Using the same source Cipolla (1969) reported 90 percent literacy rate for Spanish immigrants in the US instead of the 42 percent in O’Rourke and Williamson’s data set.

Portuguese actual emigrants. Since 1890-1893 was a period of extraordinary high emigration to Brazil which tended to increase the share of illiterate emigrants, the general conclusion is that Portuguese emigrants were as a rule more literate than the Portuguese population (Costa Leite 1993). These data suggest that Southern Europe lost human capital to Latin America though the literacy of immigrants there was lower than for the United States.

Another relevant issue is whether immigrants contributed to raise literacy levels in Latin America. The literacy levels of immigrants can be compared to those of native populations in Latin American receiving countries. European immigrants certainly had higher levels of literacy than host population of native Mexicans while Brazil and Cuba had large populations of slave origin with low levels of literacy. By 1900 the native population of Argentina and Uruguay were composed largely of the descendents of immigrants. Not all governments made the same effort to raise levels of education, but the data show that those countries with the smallest native populations around 1850 and the largest inflows of European immigrants displayed the lowest illiteracy rates around 1910 (Table 5). Latin American rankings are led by Uruguay (25 percent of illiterates in 1908). Uruguay was the country with the highest rate of immigration compared to native population. Argentina had 38 percent of illiterates whereas Chile, with much lower immigration rates than the River Plate region, had a 50 percent of illiteracy rate in the 1910s. Mexico's illiteracy rate was 72 percent of the population, higher than Brazil and Cuba with high proportions of population of African origin. These rates are low compared to literacy rates for the same period for the United States, Canada and Australia. Immigrants raised literacy levels in some Latin American countries but other forces mattered, more particularly political commitment and taxes allocated to improve educational levels among their populations. .

Did immigration add special skills or entrepreneurial capacities to the local labour force? Immigrants seem to have been over-represented among proprietors of industrial and commercial firms. They also contributed importantly to the formation of industrial and urban workforces. Germani (1955) was among many historians to stress the modernizing role of immigrants and their exceptional contribution to the development of an entrepreneurial class in Argentina. For Brazil, Dean (1969) has argued that in the Southeast immigrants and their children played an important role as entrepreneurs in the industrialization in Sao Paulo and for the modernization of the rural sector. Immigrants in Argentina and Brazil accounted for disproportionately large shares of the workers in

Sao Paulo and Buenos Aires manufacturing industries. Argentinean historians find immigrants played a positive role. For the Brazilian case Leff (1997) disagrees with Dean and argues that immigration was neither a necessary nor a sufficient condition to promote development. Leff believes that if overseas immigrants had not been available, that supply of labour to fill the growing demand of industrial workers in Sao Paulo could have come from domestic sources. This is, however, a very difficult counterfactual to test. On the whole European workers retained a good reputation as workers both in the agricultural and the industrial labour forces. All reports from Brazil, Argentina, and Cuba concerning the productivity of Italians, Spaniards and Portuguese immigrants stress the fact that they were hard-working, sober and well-behaved¹⁹. Many worked even harder abroad than at home, a view also noted for immigrant textile factory workers in the United States (Clark 1987).

Immigration also contributed to the creation and expansion of an internal market for manufactured goods by allowing some industries to benefit from economies of scale, particularly consumption industries such as textile. Nevertheless, immigrants' contribution to the growth of an internal market for manufactured goods might have been influenced by the austere consumption standards which many immigrants adopted in their endeavours to accumulate savings for remission back home. Born in relatively poor rural areas in Europe they were accustomed to frugal life styles and for at least a generation remitted saving to their families back home.

No general conclusion can be drawn about the role of immigrants in supplying entrepreneurial and other skills or about contributions to the growth of internal demand. Positive representations are there in histories of Argentina and Uruguay. Immigrants did supply businessmen for Mexico and Chile but neither for Cuba nor for Brazil can immigration be credited for such an impact.

Section III. Immigration and population growth: demographic gift or demographic burden?

Before the second half of the twentieth century population growth was not a major concern of Latin American governments. For Argentina, Uruguay or Chile the problem was the opposite and the solution was to increase the size of the population through immigration.

¹⁹ In contrast, the United States Immigration Commission concluded in 1911 that the "new" immigrants were "far less intelligent" than the "old" immigrants. Quoted in Hatton and Williamson (1998, chap.7)

Immigrants who settled permanently in Latin America contributed to the growth of the population over the long run. This was especially true for countries like Argentina, Uruguay and Brazil. In the 1880s almost 26 percent of total population growth in Argentina was due to immigration. Over the next period, 1891-1910 the share fell to 14 percent and down to 9 percent in the 1920s. In 1901-1920 immigration was responsible for only 7 percent of Brazilian population growth but in the years of high immigration, 1891-1900, the share was a spectacular 30 percent.

During the age of mass migration countries that received the largest amount of immigrants had the highest rates of population growth. Brazil and Cuba had lower rates of population growth (2 and 1.5 percent respectively) than Argentina and Uruguay with values around 3 per cent over the years 1870-1913. These rates are much higher than those found for countries with low immigration like Chile (1.4) and Mexico (1). High rates of population growth were however also found in Latin American countries with extremely low figures of overseas immigration: Costa Rica (2 percent), Dominican Republic (2.7) and Colombia (1.8) (Maddison 2001).

Immigration affects the overall rate of population growth by increasing absolute numbers and numbers of young people having children. It also has a direct impact on the age structure of the population. Migration is a highly selective process by age. In the short run, immigrants increase participation rates and contribute to the growth of the labour force, but in the long run the age structure of the population changes as the population grows. In recent years the debate on the influence of demography on economic growth has shifted the emphasis from population size and growth to age structures (Bloom, Canning and Sevilla 2002). People's economic behaviour varies at different stages of their life cycles. Thus, changes in a country's age structure can have significant effects on economic performance. Economic growth and population growth are related by modifications to the age structures of populations passing through demographic transitions. Dividing the population in three age groups, two dependants (the young and the old) and one economically active, each age group in a population exhibits different patterns of demand and savings. Children require intensive investment in health and education, prime-age adults supply labour and savings, and the elderly require expenditures upon health and retirement benefits (Coale and Hoover 1958, Kelley 1988)²⁰.

²⁰ The historical approach to the economic consequences of the changing age structure of the population in Williamson (1998)

Did immigration into Latin America increase the working age group and thereby produce a “demographic gift” for economic growth? Although policies to take advantage of this “gift” have to be implemented, immigrants are “ready-to-use” working population and lower the volume of resources devoted to the care of children. But immigrants as young adults also increase the number of dependents since they have and raise children in the host country hence creating a “demographic burden”. Thus, it is important to measure the overall demographic effect of immigration in Latin America. Immigrants contributed to the labour force growth and in the absence of immigration labour costs would have been higher. O’Rourke and Williamson (1999) have estimated that in 1910 real wages would have been 46 percent higher in Argentina without immigration. The Brazilian case is not so advantageous. Real wages would apparently have been only 2 percent higher in 1910 in the absence of mass migration. A larger labour force only becomes a gain when extra workers find jobs. Since immigrants left for Latin America because of the availability of jobs (and higher wages) we can assume that, in the short run, the majority of immigrants of working age recorded in population censuses in the receiving countries contributed to economic growth. Since population as a whole grow more slowly than active population, output per capita increased faster than output per worker.

Migratory decisions were family decisions. Although a large number of immigrants travelled alone many came in family units with dependants children. The traditional representation is that of migrants travelling with families in the mid-nineteenth century while workers from the “new emigration” countries were travelling alone. Cuban demands for labour pulled in more male immigrants travelling alone than Brazil which attracted relatively more families with children than other countries. Family groups’ migrating also to Argentina was surprisingly high. In 1895, 48 percent of migrants to Argentina arrived as families, a share that fell to 41 percent of total immigration in 1913 (Sánchez-Alonso 1992). Some of these families (especially among the Italians) were dominated by persons of working age (for example a father and three or four sons) and some nationalities display stronger tendencies to migrate as families. For example, since 1900 around 40 percent of Spanish immigrants to Argentina came as families. Among the Italians family groups were more significant in the nineteenth century and less so in the years before the War. Spanish families tended moreover to be larger than the Italian families (3.2 members per Spanish family in 1913 compared to 2.8 of the Italians and 3 for total immigration (Sánchez-Alonso 1992). Only 18 percent of Spanish immigrants to

Sao Paulo arrived without family in 1908-1936 compared to 53 percent of Portuguese arrivals over the same period. The number of migrant children (32 percent of the flow) was also higher among Spanish families in Brazil than other nationalities (Portuguese migrant children were 19 percent) (Klein 1996). Parts of the explanation for these variations in migratory strategies arise because information about different labour markets improved over time. Spanish families opted for Brazil and Argentina while individual migrants preferred Cuba where demand for young males was stronger. Immigrants contributed to labour force formation, they added simultaneously to the number of children. Where and when families arrived with children they carried a heavy dependency burden and raised costs for receiving economies health, education and public services.

Young permanent immigrants who came both with and without families might also have raised birth rates and increased dependency burdens. Did countries of immigration have higher birth rates because of the arrival of young population? Or did immigrants contribute to an early start of the demographic transition by lowering birth rates? Birth rates were lower in Uruguay and Argentina than elsewhere in Latin America in 1900-1924 and decreased after 1900 onwards. Cuba had relatively low birth rates by the 1920s. In Brazil birth rates were lower at the beginning of the century and higher in the early 1920s; the country had one of the highest birth rates in Latin America in 1930 (Sanchez-Albornoz 1974).

Although the majority of arrivals came to Latin America from high birth rates areas within Europe urbanization, education and economic growth probably promoted fertility restraint in the River Plate areas. Already in 1895 the average number of children in Argentina was 8.4 for natives born women and 6.1 for foreigners, but the major parts of differences can be explained by location and literacy levels. By 1947 figures were 3.6 children per native woman compared to 3.2 for foreign females (Rechini de Lattes and Lattes 1975). Populations that experienced rapid rate of increase in *per capita* income generally have lower mortality and lower fertility than those where *per capita* income grew more slowly. Sánchez-Albornoz (1992) argued that the high birth rates of Latin America can be related to the large shares of populations that remained rural and that only developed and open societies had entered the first phase of the demographic transition by the first quarter of the twentieth century.

In balance, immigrants contributed significantly to the growth of work forces. It seems clear that Argentina, Uruguay and several in the New World, derived economic

advantage from immigration simply because the economically active population grew faster than the dependant populations in the years between 1870 and 1913. However, this positive contribution may have been offset by accelerated population growth over the long run. For example, high rates of immigration and more fecund immigrants to Argentina compared to Australia increased the dependent population group, depressed savings, inhibited capital deepening and retarded economic growth²¹. During the *Belle Époque* capital imports maintained the level of output per worker but in the interwar years when foreign investment declined Argentina suffered from low domestic savings capacity, a function of high dependency burdens due to previous waves of pre-war immigration. The ratios of dependent population (0-15 age group plus those older than 64) to active population, were already higher in 1914 than dependency rates in Canada, Australia and the United States. In the 1940s those rates were however similar to those found in Canada but still higher than Australian and the United States. Table 6 presents dependency rates in Latin America both for massive immigration countries and low immigration countries like Chile. In the late nineteenth century, Cuba had the lowest dependency rates. Argentina and Chile, with very different experiences with immigration had similar dependency rates, while Mexico and Uruguay had the highest. In the first decade of the twentieth century, Argentina had the lowest dependency rate attributable to the rapid increase of working age population due to immigration. Brazilian immigration policy which favoured family arrivals could have contributed to the rise in the dependency rate. But in Cuba, where immigration from Europe was predominately male immigration with no children, native population growth and perhaps the influx of Caribbean immigrants increased the dependency rate notably. The Argentine tendency of decreasing the dependency rate is clear in 1947. Even in the 1940s when the demographic transition was on its way in more Latin American countries that in the preceding period, Argentina clearly had the lowest dependency rates of all. The idea of the demographic burden in Argentina depends entirely on the basis of the comparison. In short, several forces (other than immigration) appeared to raise burdens of dependency in Latin America.

²¹ This is the argument used by Taylor (1992, 1994) to explain Argentine economic retardation compared to Australia in the age of mass migration.

Conclusions and speculations

The global economy evolved slowly through the nineteenth century. Voluntary migration flows reached their highest levels in the early decades of the twentieth century. Latin American countries like Argentina, Uruguay, Cuba and Brazil participated actively in the international labour market. Several other countries in the region, remained, however, outside this market.

The experiences of Latin American countries are not fully incorporated into current debates on the cost and benefits from Atlantic migration despite the fact that 13 million of Europeans migrated to that region between 1870 and 1930²². Latin America was a late comer to the age of mass migration. Migratory flows only became really large and significant in the early years of the twentieth century prior to World War One and the international labour market changed dramatically after the War. When mass European immigration to Latin America started in the 1880s, it was clear that the region could not compete with the United States.

European immigration to Latin America from the 1880s onwards presents us with similar patterns to those of other parts of the Americas and Australia. The same economic and demographic forces operated between sending and receiving regions in the Latin American segment of the international labour market. Immigrants to Latin America also came from latecomer countries to emigration from Europe and were in several respects different from those who crossed the Atlantic in early phases of the movement. On balance, Latin America received poorer and potentially less productive immigrants than the United States simply because the dominant stream emigrating from Europe over the years 1880-1914 came from the economically backward areas of Southern and Eastern Europe. These migrants arrived also to the United States.

Segmentation of the international labour market existed long before the era of mass migration. Culture, language, religion and diffusion of information through early migrants' networks were powerful forces directing Southern Europeans towards Latin America.

Yet their adjustment to the host labour markets seems to have been quite successful particularly in urban sectors but future analysis will wish to distinguish between first and second generation of immigrants. Furthermore qualifications can be made about the

²² Even the most favoured country by researchers, Argentina, still lags behind research done for the United States, Australia and Canada.

prevailing representation of immigrants in Latin America as unskilled, illiterate and low productive labour. Immigrants made rational choices of where to go. They went to places where their handicaps (in language, education and literacy) would be minimized because demands for unskilled labour were high. Lacking of specific skills may have been an advantage in the adaptation process to new urban labour markets. Rates of literacy were certainly lower among Latin American immigrants than those going to the United States, Canada and Australia, but migrants were positively selected from their countries of origin, particularly in the Iberian Peninsula, according to literacy. Furthermore, immigrants had higher literacy rates than the native populations of Latin America and countries with the smallest native population around 1870 and the largest inflow of European immigrants, showed the highest literacy rates around 1910.

Immigration had an impact on labour force and population growth. Migrants raised the dependent age groups in the population, particularly children, in the medium and long run. Since the debate on the influence of demography on economic growth has shifted the emphasis from population size and growth to the economic consequences of the age structure of the population, the long run impact of large numbers of young immigrants to Latin American countries, other than Argentina, waits for a promising research.

Immigrants not only affected population and workforce growth; they also contributed to the creation of social capital correlated by economists with good economic performance (Dasgupta and Serageldin 1999). There is an abundant literature on the associations and societies created by immigrants in the host countries. The concept of social capital, based on trust, cooperation and shared civic values can be very usefully applied to the role immigrants played in associational activities in several Latin American countries. Societies have always worked best, where citizens trust their fellow citizens, work cooperatively with them for common goals and thus share a civic culture (Sobel 2002). Research present evidence and even theory on the effects of social capital but it is not clear the underlying mechanisms that create social capital in the first place.

Cultural affinity also makes a contribution to the creation of social capital. Southern Europeans in Latin America had a cultural capital with includes language, manners, religion and values which were readily accepted in the host countries. Immigrants certainly contributed to the creation and operation of associations and cooperative organizations in several Latin American countries. They formed mutual aid societies, published newspapers, joined clubs and churches and founded various associations. Particularly the Italians have received a preferential attention thanks to the research

done by Baily (1999), Devoto (1984) and Devoto y Fernandez (1988) among others, for the Argentinean case. High levels of social capital have been found in Northern Italy compared to the South. Since social capital is assumed to be transferable it might be that Latin American countries received not only more literate and skilled Italian immigrants than the United States but also immigrants with the ability to create social capital. Argentina received the largest inflow of Northern Italians thus importing social capital from Europe. Italians in Latin America might have succeeded precisely because they had higher levels of social capital than the native population or other immigrants groups.

The value and uses of social capital depend on the institutional environment and it might be the case that Argentina had an exceptional institutional environment for the development of immigrants' social capital abilities compared to other Latin American countries. Both Baily (1999) and Moya (1998) ponder the importance of the social and institutional networks that facilitated the insertion of Italians and Spaniards into Argentine society. High levels of social capital have also been associated with high levels of human capital. It could be the case that public commitment to education in different countries was also influenced by the stock of social capital. Electoral participation also provides a key measure of social capital for a given country. Again Argentina seems the most promising case to test some of these hypotheses.

The traditional representation has been that immigrants created in Argentina organizations to respond to the erosion of traditional community values and to maintain their ethnic cultures and traditions. Associations have always been studied from the point of view of the immigrant communities. The majority of the research done has concentrated on the internal life of the association, ruling members and their connections with local authorities and, above all, the efforts made to preserve the roots with the communities of origin. Nothing has been said about whether some associations were created by natives in the host country as a reaction to the immigrant flow. Since social capital describes circumstances in which individuals can use membership in groups and networks to secure benefits (economic or not) historians who had worked on immigrants networks and associations can contrast some of the existing theories about cooperative arrangements and social capital. For example, it is well known that mutual aid societies were attractive for the insurance benefits that they offered to their members and, by extension, to their families. These organizations often offered selective benefits to members like life insurances, hospital assistance, free medical care or widowers and

orphans support. Opportunities for trust and fellowship were, however, important by-products of the need for economic security. This important avenue of research regarding mutual aid societies is still waiting for Latin American countries. Immigrants from Eastern and Southern Europe organized mutual-aid societies, social and recreational clubs, newspapers...etc. in the United States. A research similar to that carried out by Gamm and Putnam (2001) on the growth of voluntary associations in the United States between 1840 and 1940 using city directories might be illuminating for analysing the contribution of immigrants to associational life in Latin America immigration countries. Their results, however, conflict directly with the common contention that associational growth was directly related to urbanization, industrialization and immigration. Although some level of urbanization appears to be a pre-requisite for regular associational activity, associational life was more intense and its growth higher in the small cities and towns of the United States hinterland. Moreover, in the United States, immigration itself does not appear to have stimulated the nineteenth century increase in associations. Contrary to what seems to have happened in some Latin American countries, ethnic based associations did not increase in the United States during the second half of the nineteenth century. Nor can the concentration of immigrants in specific places explain the growth of associations. Since the majority of research in Latin America has concentrated on immigrants' associations themselves without taking into account the overall growth of other type of association it is difficult to make generalizations about general associational life and large immigrant communities in Latin America countries. Social capital analysis can definitely contribute to the revival of immigrants' associational life studies from the dead end it seems to be in the last years and can shed new light on the contribution of immigration to economic development in the long run from a new perspective.

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Table 1
Gross Intercontinental Immigration into Selected Areas, 1871-1940
(in thousands)

	United States	Canada	Argentina	Brazil	Cuba	Uruguay
1871-80	2,433	220	261	219		112
1881-90	4,852	359	841	525		140
1891-1900	3,684	231	648	1,129		90
1901-10	8,666	947	1,764	671	243	21
1911-20	4,775	1,154	1,205	798	367	57
1921-30	2,723	987	1,397	840		21
1931-40	443	82	310	239		57

Sources: Ferenczi and Willcox (1929)

Table 2
New World Immigration Rates by Decade (per thousand population)

	1861-70	1871-80	1881-90	1891-1900	1901-10
Argentina	9.9	11.7	22.2	13.7	29.2
Brazil		2.0	4.1	7.2	3.4
Cuba					118.4
Australia	12.2	10.0	14.7	0.7	0.9
Canada	8.3	5.5	7.8	4.9	16.7
United States	6.5	5.5	8.6	5.3	10.2

Sources: Hatton and Williamson (1998)

Table 3
Transatlantic Passage Fares, 1850-1914
(in current \$)

	Spain-Brazil	Spain-Argentina	Spain-Cuba	Britain-USA
1850-1860	n.a	45.18	33.32	44 ^a
1870-1880*	50.71	52.30	36.70	26.55
1881-1890**	45.54	46.60	32.10	20.40
1904-1914***	31.20	35.19	34.21	33

Sources and notes: Spanish data refer to passages from Galician ports. Vázquez González, (1999). Britain-USA data refer to passages from Liverpool to New York. Sacerdote (1995)

* For Latin American countries, 1872-1880

** For Spain-Cuba, 1881-1886

*** For Spain-Brazil, 1906-1914; for Britain-USA, 1904-1912

^a Fares were exceptionally high for the years 1850-1851. Average fare for 1852-1862 were \$ 36.9

Table 4
Real Wage Performance by Decade relative to the Mediterranean Countries
(Weighted average of Italy, Portugal and Spain)

	Argentina	Brazil SE	Brazil NE	Colombia	Cuba	Mexico	Uruguay
1850s		35.8					
1870s	207.7	48.9	15.5	53.1			
1890s	267.8	47.5	10.1	79.1		173.2	324.8
1909-1913	212.1	47.8	16.8	53.1	160.5	140.9	211.5
1930s	201.1			94.4	152.2	63	187

Sources: Williamson (1999)

Table 5
Rates of Illiteracy
(% Population Which Can Neither Read or Write*)

	1870	1890	1910	1930
Argentina	75-80	55-60	35-40	23-28
Brazil		75-80	64-66	58-62
Chile	70-80	60-65	45-50	24
Cuba	70-75	60-65	40-45	28,2
Mexico		80-85	72,3	61,5
United States	20	13,3	7,7	4,3
Uruguay			20-30	15-25
Canada	25	13,8	5-10	4,3
Australia	17,9	11,3	4,5	1-5
Italy	69	54-56	39,3	23,1
Portugal		75-80	68,9	60,2
Spain	65-70	61	52,2	30-35

Sources: Flora (1973) based on national censuses.

* Population above 15 years old..

Table 6
Dependency Rates: Latin America and other New World Countries (1872-1947)

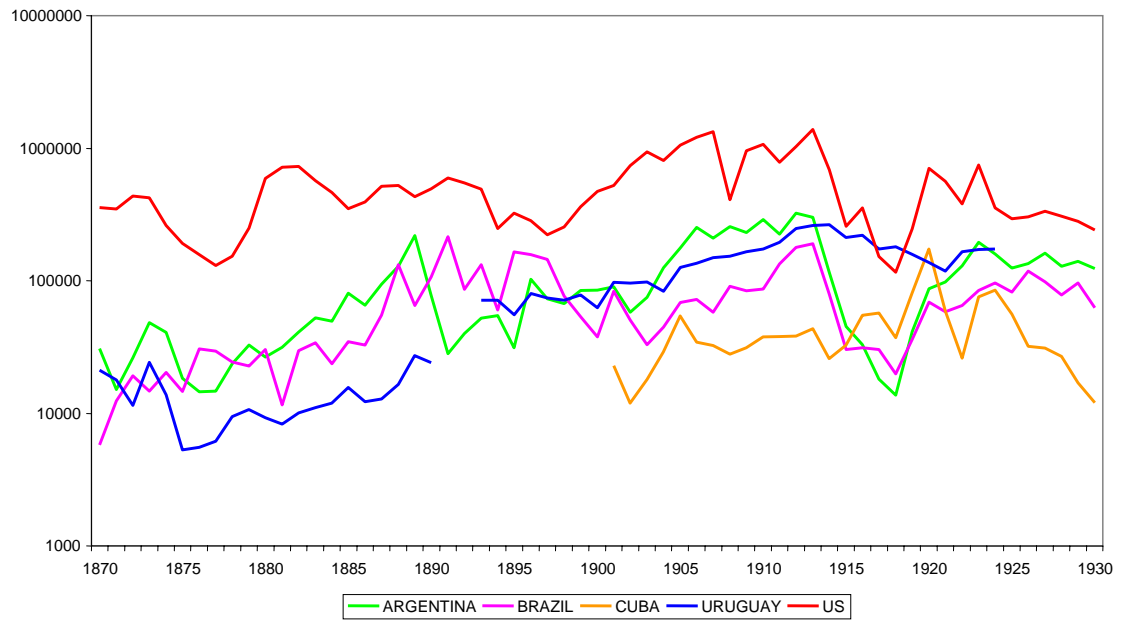
Countries							
Argentina	1869 0.839	1895 0.734		1914 0.688			1947 0.533
Brazil	1872 0.719	1890 0.755	1900 0.907		1920 0.880		1940 0.815
Cuba		1889 0.643*	1907 0.698*		1919 0.891*		1943 0.660
Uruguay		1900 0.854*	1908 0.777				
Mexico		1895 0.813*	1900 0.805*	1910 0.801		1930 0.802*	1940 0.796
Chile		1895 0.772	1907 0.784*		1920 0.702	1930 0.685	
Canada	1871 0.883	1891 0.692		1911 0.600	1921 0.645	1931 0.598	1941 0.526
Australia	1861 0.610	1891 0.666	1901 0.643	1911 0.520	1921 0.567	1933 0.500	1947 0.496
US	1870 0.754	1880 0.686	1900 0.632	1910 0.547	1920 0.573	1930 0.533	1940 0.488

*Age group (15-60)

The dependency rate is the ratio of dependent population (ages 0-15) + (over 64) to potentially active population (ages 15-64)

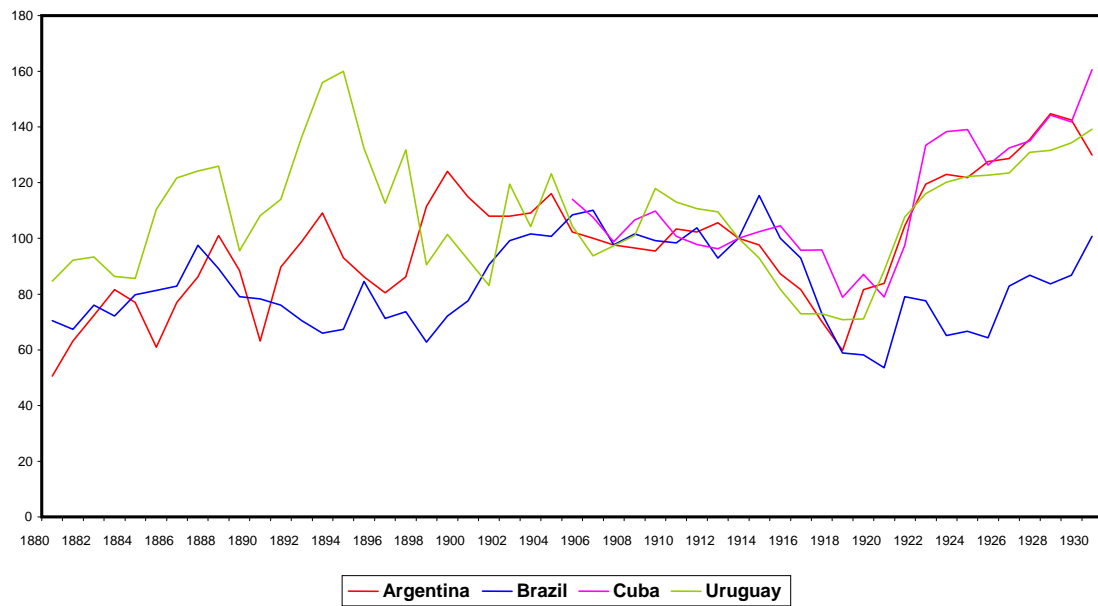
Sources: Calculated from Mitchell (1993) and (1983)

Figure 1

**IMMIGRATION INTO LATIN AMERICAN COUNTRIES AND THE US,
1870-1930**

Sources: Ferenczi and Willcox, (1929)

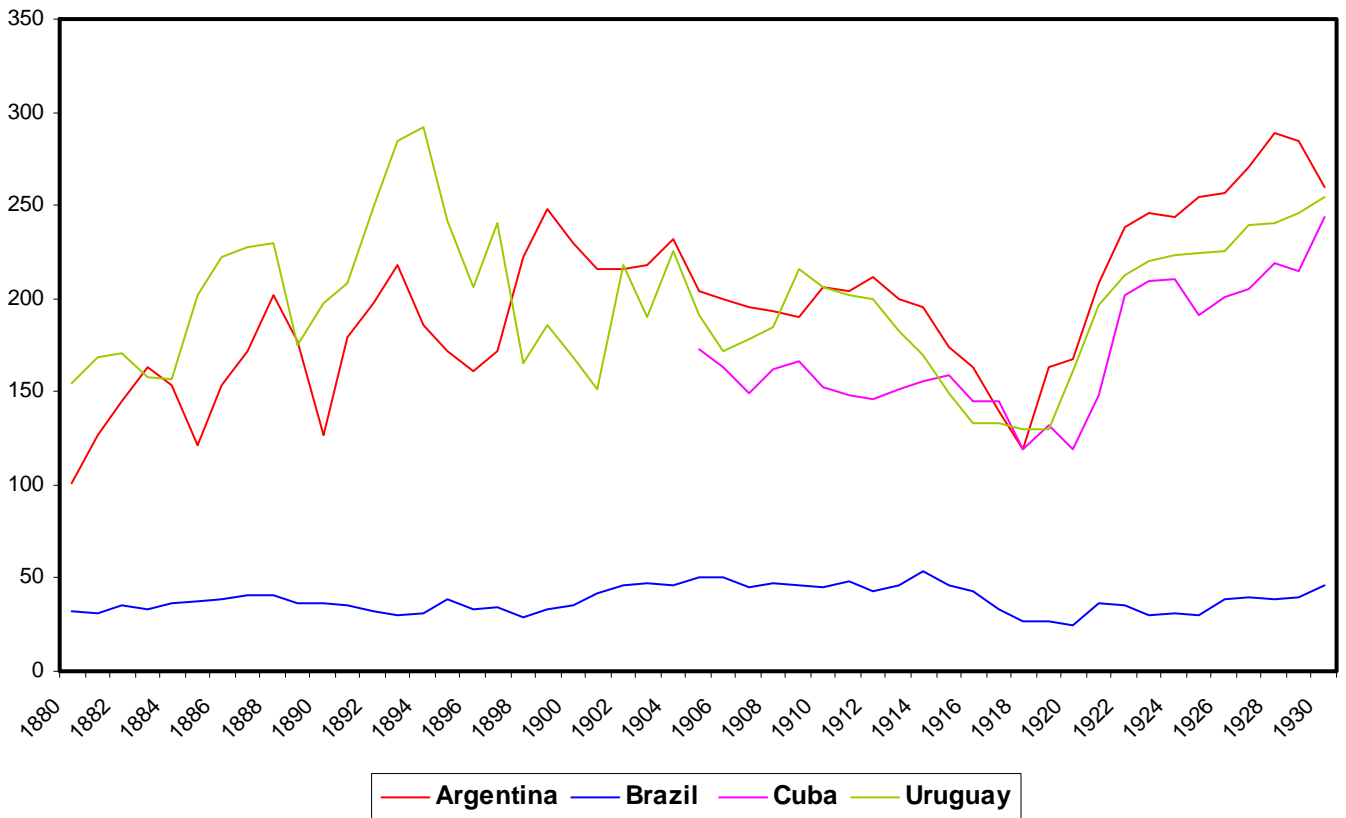
Figure 2

Latin America Real Wages, 1880-1930: Immigration Countries (1913=100)

Sources: Williamson (1999)

Figure 3

Real Wages Relative to the Mediterranean Countries (1913=100)



Sources: Williamson (1999)