Migrant self-selection in the presence of random shocks. Evidence from the Panic of 1907

David Escamilla-Guerrero and Moramay Lopez-Alonso

ABSTRACT

We evaluate the responsiveness of migrant self-selection to short-run changes in the economic environment. Using novel historical micro data, we estimate the initial selectivity of Mexican migration (1906-08) and focus on labor institutions as short-run adjustment channels of self-selection. We find that the first Mexican migrants were positively self-selected on the basis of height—a proxy for physical productivity of labor. Additionally, the US financial crisis of 1907 significantly modified self-selection. Shifts in migrant self-selection during and after the crisis were influenced by the enganche, an institution that reduced migration costs, but only for the “best” Mexicans during “good” economic times.

Send Them Back? The Real Estate Consequences of Repatriations

Vinicios P. Sant’Anna and Gustavo S. Cortes

ABSTRACT

We examine how the repatriation of Mexican immigrants in the US from 1930 to 1936 affected housing and construction in American cities. Using US Census and hand-collected building permits data, we show that repatriating Mexicans during the Great Depression significantly slowed city growth. Employing instruments that account for the effects of the Depression, we show that
cities with higher Mexican outflow experienced lower growth in commercial and residential real estate. We find significant negative effects on the number and value of building permits, as well as house values. Repatriations seem to have a long-lasting impact, leaving a footprint on local economic growth.

Inscription

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