

Inheritance Rules and Immigration to America

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The form of inheritance rules has been hypothesized to influence later economic development. I test whether those inheritance rules affect who immigrated to America in 1800s Germany. I find no differences between regions which practiced primogeniture, and those which divided land equally between children, either in the socioeconomic stratum of immigrants, or in their characteristics. This is weak evidence against the hypothesis that inheritance rules played a leading role in the structural transformation of Europe.

The form of inheritance rules has long been theorized to have a considerable effect on the economic development of countries. As far back as Habakkuk (1955), historians have considered the possibility that different family structures made industrialization easier. England, the first country to industrialize, was unique in how much freedom owners had to entail their estates, and many authors have suggested that this led to people moving out of the countryside to the newly industrializing cities. Primogeniture meant that landless second and third sons had no other option but to move to industrial cities.

This also yields strong predictions about who will emigrate to overseas. We should expect more immigrants from areas with primogeniture, and we should

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also expect them to be less selected for on the basis of skill than those who do end up coming from places with equal sharing. Since the most important form of inheritance was land, we should expect emigrants from regions with equal sharing to be especially unlikely to be farmers. We should also expect emigrants from areas with primogeniture to be disproportionately male.

My results show these predictions to be false. Immigrants to the United States did not systematically differ due to the immigration rules of their place of origin in Germany. There are no discernible differences in occupational status or farm ownership between immigrants from regions with different rules. Neither were there differences in the outcomes of people whose fathers were born in the different regions. There is no reason to think that differences in emigration played any role in economic development in Germany.

This is somewhat at odds with prior literature, but not entirely inconsistent. Wegge (1999) used detailed information on the people who emigrated from Hesse-Cassel to America to show how migrants were selected. The people most likely to leave were skilled but landless people. Farmers were quite unlikely to move, despite being able to easily afford doing so. Bartels, Jäger and Obergruber (2024) trace back differences in development within Germany to differences in land inheritance rules. They found that places with equal sharing are today more innovative and better off, which they argue is due to a greater equality of land financing entrepreneurial behavior. While they did find that different inheritance laws meaningfully changed the distribution of land, they were also able to rule

out differences in immigration to America.

This is in spite of the fact that inheriting land is a meaningful bind on one's ability to move. The best evidence for this is largely in the development literature, who are able to get more data on households and moving decisions. Fernando (2014) studied the effect of inheriting land in rural India, and found that not only did it substantially affect the distribution of land, but that when there were sufficient constraints on the ability to transfer the land, it actually made people poorer from not being able to migrate to better jobs. In the Hindu context, land is divided equally between sons, such that the gender mix of sons affects how much land is acquired. The important thing is that this property is extremely sticky, in particular for eldest sons who are obliged to support the family. Das et al. (2013) found that transferring cattle to low income women substantially restricted their ability to work outside of the household.

And inheritance was, at that time, an important part of people's wealth. Within Europe as a whole, inherited wealth was about 70% by 1900, compared to 40% by the 1970s. (Alvaredo, Garbinti and Piketty (2017)). Piketty (2011) uses different definitions of inheritance, but finds (within France) that it declined from 25% of national income in 1900 to 5% by the 1950s. I have no reason to believe that the share of inheritance as national income was substantially lower during the mid 1800s, though I lack papers studying specifically this (nor, in all likelihood, would such papers be possible – semi-contemporary works like Wedgwood (1928) bemoan the paucity of statistics available).

Thus, differences in inheritance rules lead to differences in property, and differences in property lead to differences in behavior. However, it did not lead to differences in external emigration, although it may have influenced migration within the country. This is weak evidence against the idea that primogeniture led to the diffusion of upper class cultural norms as advanced by Clark (2014). In section one, I discuss the data sources used in this paper. In section two, I discuss the results. In section three, I interpret what may have driven these results, and in the fourth section, I conclude.

I. Data

I relied upon the Bartels, Jaeger, and Obergruber paper for which places had primogeniture and which did not. Equal sharing was most common in the South and West of Germany, with primogeniture being universal throughout the East. I then used IPUMS census data from 1880, in which people reported their birthplace to a high degree of precision. After 1890, the Census would switch over to people reporting “Germany” if they were from any part, but before this they would report the princely state which they, or their fathers and mothers, were born in.

Primogeniture rules cannot be mapped onto the regions which people reported as their birthplace in the 1880 census. The rules for equal sharing often bisect duchies and princely states, varying village by village. We cannot know exactly what people meant when they report a region of birth, either, although the census regions do correspond to distinct political entities of the time. What we can

do, however, is compare states which had some equal sharing, to others which definitely had none. We should keep in mind that this will bias our results toward no effect.

A concern would be that the results are fatally biased toward zero by the massive scope of Prussia within the German Empire. Its eastern arm fully incorporates many regions of equal sharing, while its western arm is totally primogeniture. However, I do not believe this is so. Because the German Empire was, at that time, a recent invention, people often reported their specific kingdoms with Prussia. Only the Rhine Province in Prussia had equal sharing – the regions it bordered, in particular Westphalia, are entirely primogeniture regions, and are reported separately in the 1880 census.

The Census does not directly measure income, but does ask occupation. These responses are then given a normalized score out of a hundred, and can stand in for socioeconomic status. The census also inquires if the person being surveyed lives on a farm. These are my primary outcome variables to measure selection.

II. Results

There were no significant differences between the two regions in any of the specifications I measured. There was no significant difference in the occupational scores of the immigrants from the two regions. Neither were there significant differences in the occupational scores of people whose fathers were born overseas, but who may have been born in America.

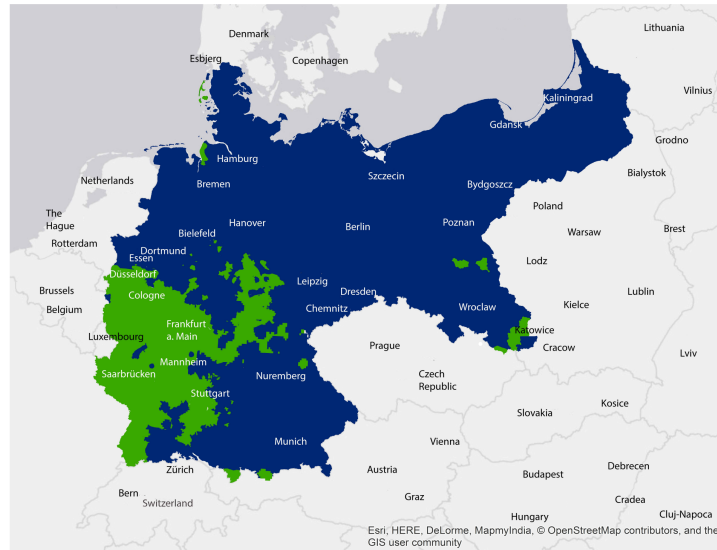


FIGURE 1. FIGURE FROM BARTELS, JAEGER, AND OBERGRUBER (2024)

Also in contrast to the story of primogeniture affecting immigration choices, there were no statistically significant differences in the sex ratios between the two regions. Males constituted 55.6% of the immigrants from regions with primogeniture, but also constituted 52.7% of the immigrants from regions with equal sharing. Males were slightly more likely to immigrate, but this is true for both regions. There appears to be no selective back-migration by sex, either, as people whose father's birthplace was in Germany are close to split 50-50.

There were considerably more people who emigrated from the regions with primogeniture than those without. However, this result is almost certainly driven by the immense size of Prussia, which had two thirds of the German Empire's population. If inheritance rules had an effect on immigration, we should expect to see it mediated through the immigration of many excess males.

III. Discussion

The lack of any difference was rather surprising to me. Our sample size is large, about 5,000 people, with 13,000 people having fathers born in Germany, out of a total sample of 165,079 people. Many people immigrated from Germany during this period, including some of my ancestors. Yet, I was able to rule out any substantial difference in who immigrated between the two types of regions. Why?

One possibility is that land markets were, in fact, liquid, and it was simply that randomly allocating land between your children produced only a small distortion at most. Immigrants were then not, in practice, selected. This is at odds with the results in Bartels et al, who show that the changes in land distribution were persistent. What seems most plausible is that, by that time, immigration of farmers was a minor concern. As Wegge notes, farmers who did leave carried large quantities of cash on them, indicating that they could afford to move but chose not to. With landowners relatively well-off, immigration occurred among those who were poorest, or among those who lived in cities and had easy access to immigration. The second sons of landowners might immigrate to the city – and fund their entrepreneurial ventures there, with the family’s resources – but they would not wish to totally leave their family’s roots. It is possible that second sons were still supported by the family, even with the distribution of land altered, such that they were unlikely to migrate.

Another possibility is that, while primogeniture within a stratum would make

immigrants less selected, it might also increase immigration from high strata. It is conceivable that this could totally balance out any effect on immigrant quality. However, given the lack of a substantial difference by sex of immigrants, it seems more likely that it simply didn't affect the mix of immigrants at all.

IV. Conclusion

Many people have given inheritance rules a role in European economic development. My results cast doubt on the usual narratives. If it could not cause selection in who immigrated to the United States, why should we expect it to cause selection in who immigrated from the countryside to the city? Instead, it seems likely that the inheritance rules of a place had only a small impact on economic outcomes. This is weak evidence against the idea that different inheritance customs played a role in the structural transformation of Europe and the Industrial Revolution.

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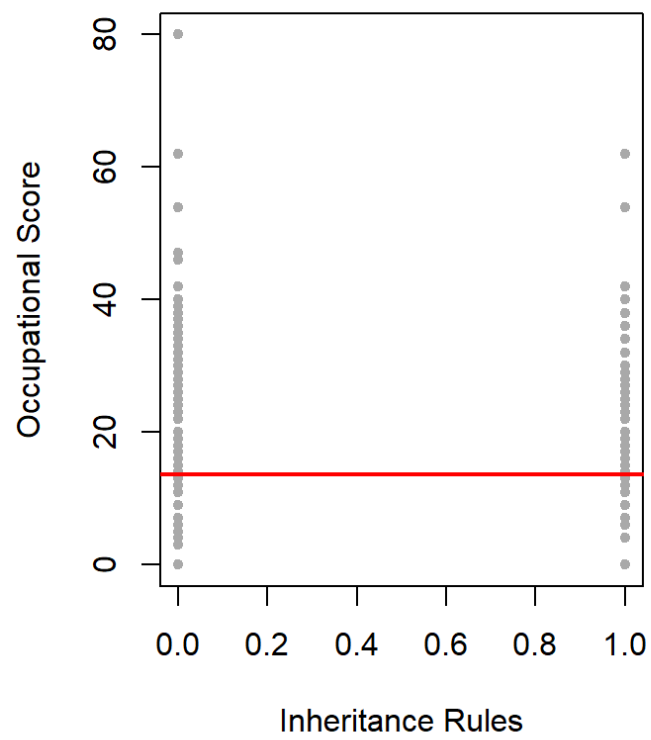


FIGURE 2. REGION OF BIRTH AND OCCUPATIONAL SCORE

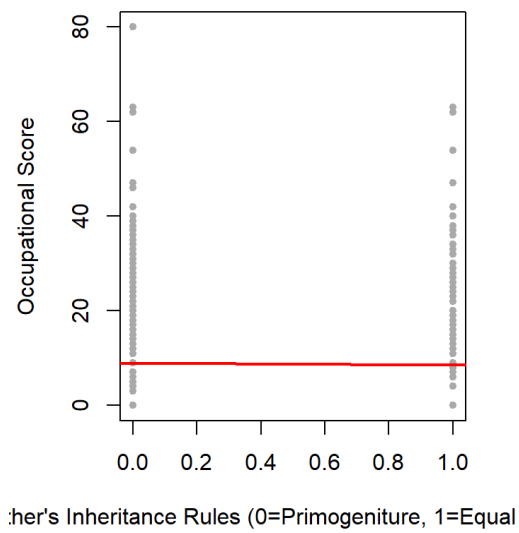


FIGURE 3. FATHER'S BIRTHPLACE AND OCCUPATIONAL SCORE

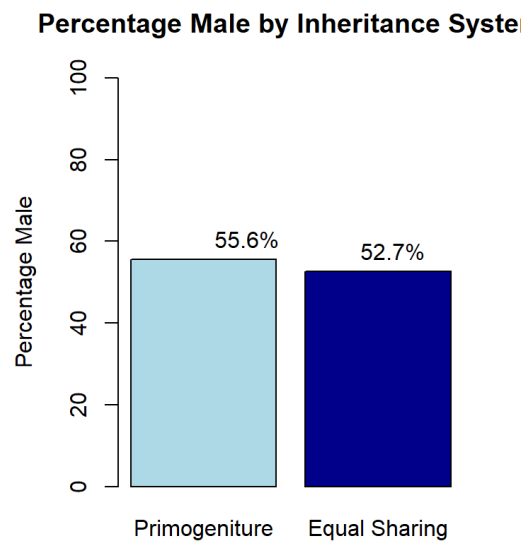


FIGURE 1. PROPORTION MALE BY REGION

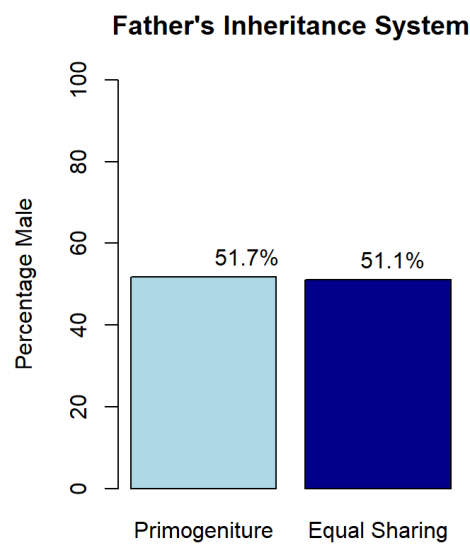


FIGURE 2. PERCENT MALE AMONG THOSE WITH A FATHER BORN OVERSEAS

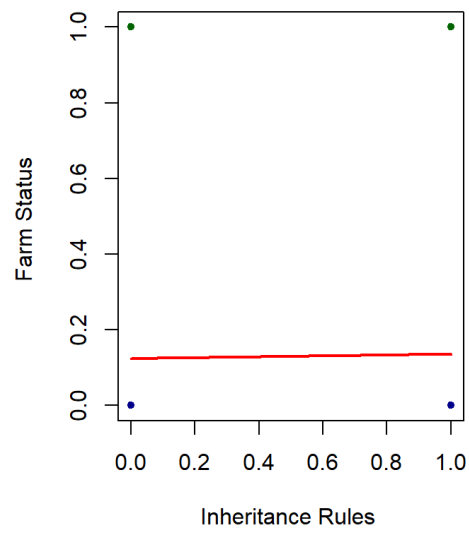


FIGURE 3. CAPTION