

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.

The form of inheritance rules has long been theorized to have a considerable effect on the economic development of countries. As far back as Sir John Habakkuk in 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.

However, not all work agrees with this. More recent work by Bartels, Jaeger, and Obergruber (2024) used a regression discontinuity method within Germany, and found results completely contradicting the normal suppositions. They found that places with greater equality in land distribution have higher incomes and higher inequality today, which they believe to be due to the regions having more innovative industrial activity during Germany's transition from an agrarian to a manufacturing economy.

The results of Bartels et al could plausibly be explained by people being less likely to immigrate. Owning property is a tie to the land, especially in a world of incomplete markets, and so we would be more likely to see industrialization where there are more people. For example, in Georgia randomly assigned Indian lands took over 150 years to be efficiently allocated. (Bleakley and Ferrie, 2016). In the Bartels et al paper, that they found persistent differences in the distribution of land is itself evidence of serious frictions in trading land. We can easily imagine that someone could collect rents from property holdings in the countryside if they move 20 miles to Cologne, but not if they move 4,000 miles to the United States.

However, my results show that this was unlikely to be the case. 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

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emigration played any role in economic development in Germany.

The results of Bartels et al. are the opposite of what has been conventionally predicted, which is that primogeniture makes it easier for there to be a structural transformation in the economy. Publishing nulls such as this is especially important when we do not know the specific significant differences we are looking for. When we lack a strong theoretical basis for our predictions, empirical work which does not include all results, even null ones, will leave us extremely misguided.

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.

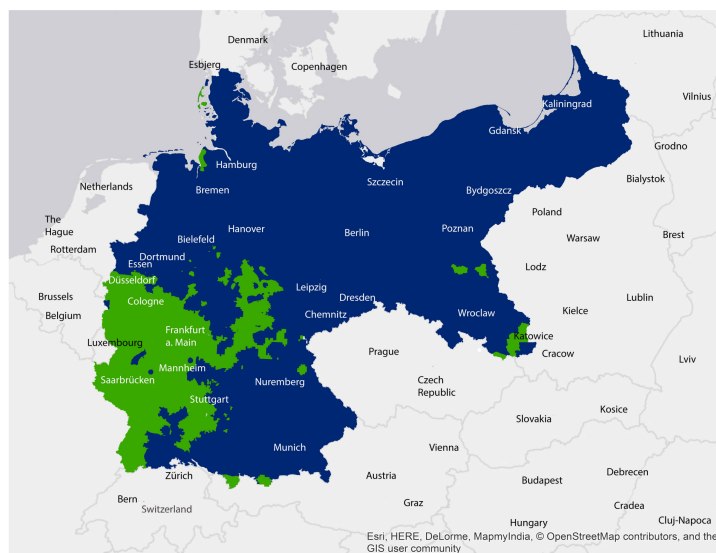


FIGURE 1. FIGURE FROM BARTELS, JAEGER, AND OBERGRUBER (2024)

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 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.

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 father's were born overseas, but who may have been born in America.

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.

The results are robust to dropping "Prussia nec", or "Prussia Not Otherwise Categorized", which I would be concerned would lump in the Rhineland.

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.

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. It is also possible

that people were not particularly heterogeneous in skill, and that their wages are determined by where they lived. Thus, it could be that only the landless would move from regions with equal sharing, and that would still not show up in

This is the first draft of the paper, and much needs to be done. In particular, the counts of where people immigrated from needs to be compared to the relative populations of the different German states. It is still possible that primogeniture led to a disproportionate number of people emigrating, both male and female, even if there was no apparent selection.

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 city to the countryside?

Instead, it seems likely that the inheritance rules of a place had only a small impact on economic outcomes. There are no simple tricks for causing economic growth.

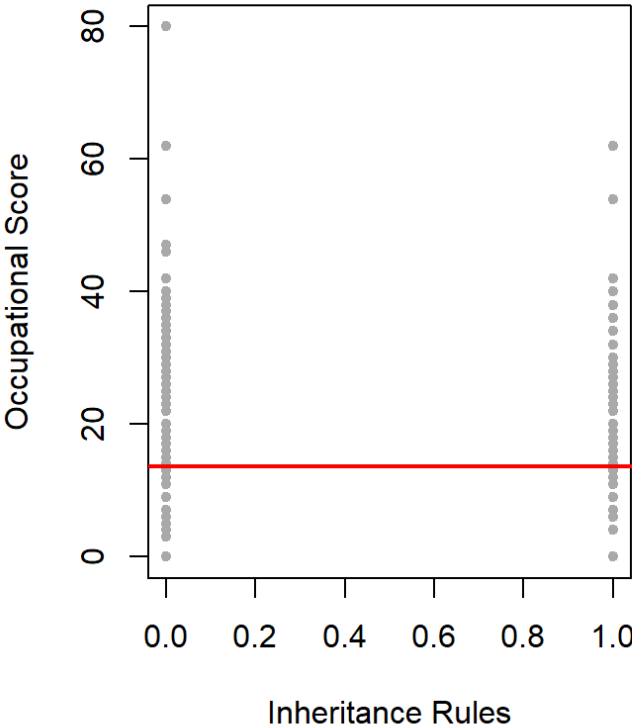
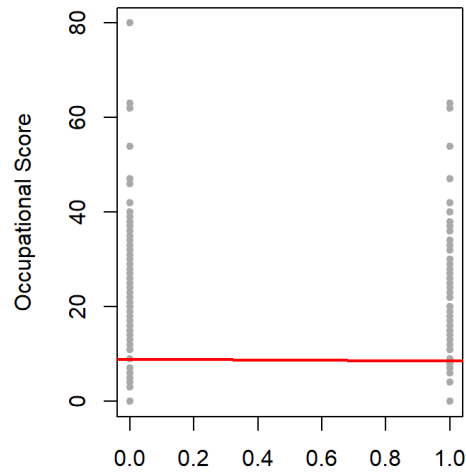


FIGURE 2. REGION OF BIRTH AND OCCUPATIONAL SCORE



Father's Inheritance Rules (0=Primogeniture, 1=Equal

FIGURE 3. FATHER'S BIRTHPLACE AND OCCUPATIONAL SCORE

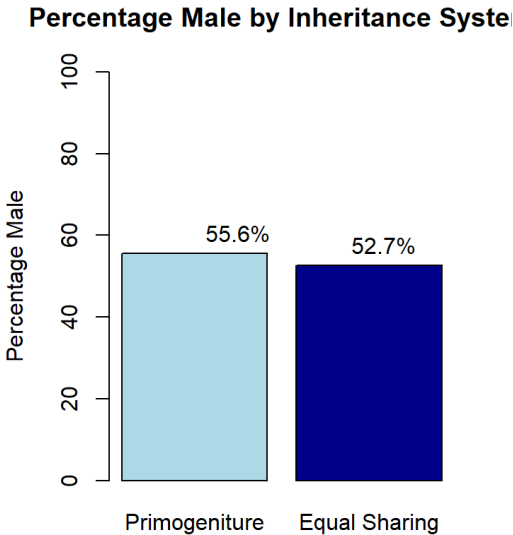


FIGURE 1. PROPORTION MALE BY REGION

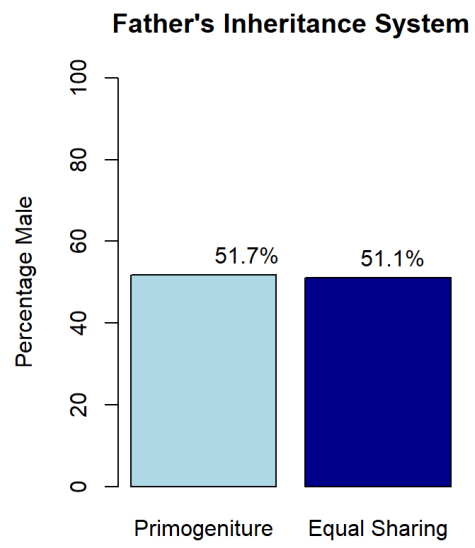


FIGURE 2. PERCENT MALE AMONG THOSE WITH A FATHER BORN OVERSEAS