

Unexpected colonial returns - Mass migration and the persistence of inequality over multiple generations

Joint work with Dinand Webbink

Abstract

The consequences of immigration are highly debated but not well understood due to the selective character of migration flows and the lack of long-term multigenerational micro-data. This paper studies the persistence of inequality between natives and migrants after a unique mass migration linked to Dutch colonial history and exploits administrative micro records over three generations. Upon arrival many migrants were not well adapted to the new environment. Forty years later, we still find large outcome gaps between natives and first-generation migrants. This gap in outcomes is not persistent over generations, and declines with each successive generation. However, the intergenerational convergence of outcomes of migrants and natives is slow. We find a persistence rate of inequality of 0.7 to 0.8 per generation which can be mainly attributed to an ethnic factor. Furthermore, we study the potential impact of selection of migrants by comparing outcomes of regular self-selected migrants with outcomes of individuals from the mass migration. We find that selection of migrants matters for the economic integration of the first generation but is less important for the persistence of inequality for the next generations.