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Success Story? Japanese Immigrant Economic Achievement and Return Migration, 1920–1930

MASAO SUZUKI

Even in a country whose patron saint is the Horatio Alger hero, there is no parallel to their [the Japanese American] success story.

—William Petersen¹

The view that Japanese and other Asian Americans constituted an economic success story gained popularity in the mass media and among scholars during the 1960s. At a time when the demands of the Civil Rights movement were challenging the government to redress the racism ingrown in American society, Japanese and other Asian Americans were often held up as “model minorities” who had overcome discrimination through their own efforts and without aid from government laws or service programs.² This practice has led to a debate over both the extent of the success of Asian Americans and the reasons for their economic achievement.³

Robert Higgs, in “Landless by Law,” concluded that Japanese immigrants “had attained an economic position of solid middle-class dimensions” on the eve of World War II, and that “they had, it appeared, triumphed over racial discrimination in both the market and the law.”⁴ Although Higgs credited the workings of competitive market forces for this outcome, Thomas Sowell argued that culture is key to the economic achievement of different ethnic groups.⁵ Critics of these two alternatives have suggested other reasons for Japanese American economic achievement. For example, William Darity Jr. attributed the economic achievement of Japanese Americans to the middle-class background of most Japanese immigrants.⁶

This note also argues that selection biases in Japanese immigration played a role in the

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¹ Petersen, “Success Story,” p. 21.

² Daniels, *Asian America*, pp. 317–19.

³ There has been relatively little economics literature on Asian Americans, despite their prominence in debates over the determinants of comparative ethnic economic performance. A cursory search of the Econlit index of economic literature produced 622 titles concerning African Americans; 72 concerning Chicanos, Latinos, Hispanics, or Mexicans; 28 concerning Native Americans; and only 13 concerning Asian Americans.

⁴ Higgs, “Landless by Law,” p. 223.

⁵ Sowell, *Economics*, pp. 135–43.

⁶ Darity, “What’s Left?” argued that the characteristics contributing to economic advancement are more linked to social class than ethnicity. According to Darity, Japanese Americans, like Jews, experienced what he calls “lateral mobility.” Most Japanese immigrants came from middle-class backgrounds, but had to enter the labor market as unskilled laborers in the United States. In his view, the significant numbers of Japanese Americans who became farmers and business people were simply recovering their former middle-class status. For other references on the selective immigration of Japanese see Ichihashi, *Japanese in the United States*, pp. 65–82; Ikeda, “Different Dilemma”; Sawada, “Culprits”; and Wakatsuki, “Japanese Emigration,” especially pt. 3, pp. 473–516. Suzuki, “Japanese American Economic Achievement,” pp. 88–113, found some empirical support for Darity’s view. For another criticism of the cultural explanation of economic achievement, see Chiswick, “Book Review.”

economic achievement of Japanese Americans, but takes a different approach by examining the return migration of Japanese immigrants. The emigration of Japanese immigrants from the United States was very significant: between 1920 and 1940 there was a net emigration equal to one-third of their population in the United States in 1920. Further, return migration was not class neutral: farm laborers, nonfarm laborers, and domestic servants made up the vast majority of the net emigration of gainfully employed Japanese immigrants.

Little historical research has been done on the return migration of immigrants, even though it was significant for most of the "new immigrants" from southern and eastern Europe as well as from Japan.⁷ George Borjas raises the possibility that the return migration of lower-achieving immigrants would increase the measured rate of economic improvement of those immigrants who remain in the United States.⁸ Was this the case for Japanese immigrants to the United States?

OCCUPATIONAL CHANGE AND SELECTIVE MIGRATION

To answer the question of whether the selective return migration of Japanese immigrants could account for a significant part of their observed improvement in occupational position in the United States, I will focus on the decade of 1920 to 1930. This focus is dictated by the limitations of the data on occupations and migration of Japanese: the Immigration and Naturalization Service (INS) reported data on the entry and exit of Japanese for the years from 1908 to 1931, whereas the decennial census included information on occupations for 1920 and 1930, but not 1910.⁹ I look only at Japanese immigrants to the continental United States because the economic and social conditions were very different in Hawai'i.¹⁰

Occupation is the main variable I use to measure the economic achievement of Japanese immigrants prior to World War II. Today, income is more commonly used, but the census did not report information on incomes until 1940. The data on other possible indicators such as wages and wealth are based on surveys and are thus limited in their scope.¹¹ I consider farmers, business people, and professionals to be "middle class" because of their self-employment and their ownership of capital in the form of land, business assets, and human capital respectively. Another group of occupations are unskilled workers such as farm laborers, nonfarm laborers, and domestic workers. In between these two groups are other occupations such as nondomestic service, sales and clerical workers, and operatives and craftsmen.¹²

During the 1920s Japanese immigrants improved their occupational status both in terms of the growing proportion gainfully employed in "middle-class" occupations and in terms

Chiswick criticized Sowell by pointing out that many ethnic groups that do well internationally, such as Jamaicans and Lebanese, come from countries that are not doing well economically.

⁷ Archdeacon, *Becoming American*, pp. 112–42 (especially table V-3, pp. 118–19). Bratsberg, "Return Migration," studied the return migration of more recent immigrants. Wyman, *Round-Trip*, described the return migration of immigrants from Europe.

⁸ Borjas, "Economic Theory," p. 476.

⁹ One problem with the data is that Koreans were counted as Japanese in immigration records after 1905, but counted separately by the census. The number of Koreans was small, however: in 1930 there were only 1,044 foreign-born Koreans in the continental United States (U.S. Bureau of the Census, *Census of Population (1930)*, Vol. 2, *General Report*, p. 34). For more on Korean immigration to the United States, see Hing: *Making*, pp. 65–69.

¹⁰ See Takaki, *Strangers*, pp. 179–80; and Daniels, *Asian America*, p. 101.

¹¹ See Higgs, "Landless by Law" and "Wealth," for use of wage and wealth data. However, Higgs's interpretation of his wage data is subject to criticism. See Suzuki, "Japanese American Economic Achievement," pp. 143–47.

¹² This classification can also be found in the 1940 census. See U.S. Bureau of the Census, *Census of Population (1940)*, *Occupations*, pp. 175–82.

TABLE 1
JAPANESE IMMIGRANT OCCUPATIONS, 1920-1940

Occupations	1920		1930		1940	
	Number	Percent	Number	Percent	Number	Percent
Farmers	6,277	11	6,406	13	5,899	18
Business	4,340	7	5,819	12	4,948	15
Professionals	1,281	2	1,878	4	1,064	3
(subtotal)	11,898	21	14,103	29	11,911	37
All other	12,326	21	11,761	24	8,105	25
Farm labor	18,376	32	14,751	30	7,338	23
Laborers	9,001	16	3,725	8	3,179	10
Domestics	6,302	11	4,799	10	2,046	6
(subtotal)	33,679	58	23,275	47	12,563	39
Total	57,903	100	49,139	100	32,579	100

Notes: The 1920 figures assume all gainfully employed Japanese were immigrants. 1930 figures are estimated using an estimate of Nisei (American-born) occupational distribution based on their occupations in 1940. Percentages may not sum to totals, due to rounding off.

Sources: U.S. Bureau of the Census, *Fourteenth Census: Population (1920)*, pp. 343-59, *Census of Population (1930)*, pp. 95-97, and *Census of Population (1940), Characteristics*, p. 47.

of a declining proportion of unskilled workers. In 1920 some 21 percent of Japanese immigrants in the continental United States were farmers, business people, or professionals, whereas 58 percent worked as agricultural laborers, laborers, and domestic servants. By 1930 the proportion of gainfully employed Japanese immigrants in the higher occupations had grown to 29 percent, whereas the proportion of unskilled laborers had shrunk to 47 percent (see Table 1). Despite the growth of the more middle-class occupations, Japanese immigrants in these occupations were still outnumbered by those who were laborers and domestics in 1930.¹³

This improvement in occupational status during the 1920s is all the more striking because of increasing legal discrimination against Japanese immigrants. Between 1913 and 1925, nine states, including California and Washington (where the vast majority of Japanese Americans resided in the continental United States), passed alien land laws banning the purchase and leasing of farmland by Japanese immigrants.¹⁴ In 1922 the Supreme Court ruled that Japanese were ineligible for naturalization because they were neither white nor of African descent; and in 1924, the U.S. government passed a restrictive immigration law that included a clause excluding Japanese from immigration.

How can one explain this seeming inconsistency between the imposition of anti-Japanese laws and the economic gains of Japanese Americans during the 1920s?¹⁵ One reason, of course, was that most of the increase in the "higher" occupational groups was due to the

¹³ These figures overstate the proportion of "middle-class" Japanese immigrants in both 1920 and 1930. Almost 85 percent of Japanese immigrant farmers were tenant farmers or farm managers who owned no land, whereas only about a third of white farmers were tenants during this period. If only land-owning farmers are counted, then only 18 percent of Japanese immigrants were in these higher occupational categories in 1930 as compared to the 29 percent if tenant farmers are included. See U.S. Bureau of the Census *Census of Agriculture (1950)* pp. 924, 937, and *Fourteenth Census: Agriculture (1920)*, p. 311.

¹⁴ Chan, *Asian Americans*, p. 47.

¹⁵ Higgs, in "Landless by Law," argued that the effects of the alien land laws were overcome by competitive market forces. However, Higgs implicitly assumed that the return migration of Japanese did not affect their occupational distribution and overlooked the distinction between renting and farming under labor contract. For a critique of Higgs, see Suzuki, "Japanese American Economic Achievement."

TABLE 2
JAPANESE ALIENS ENTERING AND LEAVING THE CONTINENTAL UNITED STATES
BY OCCUPATION, 1921-1930

Occupation	Enter	Depart	Net
Professionals	9,341	8,133	+1,208
Business people	10,199	10,534	-335
Farmers	4,862	9,290	-4,428
(subtotal)	24,402	27,957	-3,555
Skilled workers	4,169	4,017	+152
Other occupations	5,328	4,191	+1,137
(subtotal)	9,497	8,208	+1,289
Farm laborers	7,146	1,580	+5,566
Nonfarm laborers	2,843	20,837	-17,994
Servants and others	1,901	1,815	+86
(subtotal)	11,890	23,232	-12,342
Total with occupations	45,789	60,397	-14,608
No occupation	25,156	26,050	-894
Total	70,945	86,447	-15,502

Sources: For the years 1921-1928, Ichihashi, *Japanese in the United States*, pp. 402-05. For the years 1921-1930, Commissioner General of Immigration, *Annual Reports* for the following years: 1921 (p. 143), 1922 (p. 135), 1923 (p. 151), 1924 (p. 149), 1925 (p. 179), 1926 (p. 160), 1927 (p. 182), 1928 (p. 181), 1929 (p. 175), and 1930 (p. 191).

increase in the numbers of Japanese immigrants in nonfarm businesses (see Table 1).¹⁶ But another explanation can be found in the selective pattern of return migration of Japanese immigrants. The occupational statistics in Table 1 reflect a selection bias because they only show those Japanese immigrants who remained in the United States.

But most Japanese immigrants did not stay in this country. U.S. immigration records show that before World War II, 288,010 Japanese entered the United States and 245,870 departed—a return rate of more than 85 percent. Of particular interest is the large *net* outflow of Japanese from the United States after 1924, when the Immigration Act excluded Japanese from immigrating to the United States. Between 1925 and 1942 there was an net out-migration of more than 27,000 Japanese from the United States, which was equal to about one-third their entire U.S. population in 1920!¹⁷

Not only was there a large (net) emigration of Japanese from the United States, but it was also selective. Most of the net out-migration was by Japanese in the lowest occupational categories (see Table 2). Between 1921 and 1930 there was a net departure of 14,608 Japanese from the United States who reported their occupation. Of this group, 12,342, or 85 percent, were farm laborers, nonfarm laborers, and domestic workers, which was a higher percentage than their proportion of the labor force during that decade (see Table 1). This pattern suggests that much of the measured occupational improvement of Japanese immigrants during these years could be a result of this selective return migration.

¹⁶ Japanese immigrants could not be legally excluded from nonfarm business because of reciprocity clauses in U.S.-Japan commercial treaties. See Consulate General of Japan, *Law Cases*, pp. 396-97. However, there were boycotts and other attempts to limit Japanese ownership of urban businesses. See Yamato, "Socioeconomic Change," pp. 94-95.

¹⁷ The numbers include all Japanese entering and leaving the United States except those entering from Hawai'i between 1899 and 1908. The figure of 85 percent overstates the extent of return migration because many Japanese went back and forth to the United States. Between 1925 and 1942, 71,420 Japanese entered the United States, and 99,769 departed. Japanese entering the United States (all years) and leaving the United States (1908 onward) are taken from the Commissioner General of Immigration. Japanese leaving the United States before 1907 are taken from Japanese government sources. See Ichihashi, *Japanese Immigration*, p. 6; and Thomas, *Salvage*, p. 573.

ESTIMATING THE OCCUPATIONAL DISTRIBUTION OF JAPANESE IMMIGRANTS IN 1930
ASSUMING UNIFORM RETURN MIGRATION

One way to assess the impact of this selective return migration would be to estimate what the occupational distribution of Japanese would have been if their return migration had been uniform across occupations. This can be done for the decade of 1920 to 1930 because the occupation figures for both the population and for immigration are available.¹⁸

The counterfactual uses a very simple model in which the Japanese immigrant labor force is divided into three groups: farmers, business people, and professionals as the highest category; farm laborers, nonfarm laborers, and domestic servants as the low category; and all other occupations (craftsmen and operatives, service, clerical and retail workers) as a middle category.

Individuals can enter and leave the occupational categories in four ways. First, they can enter the labor force in the United States. Second, occupational change can occur between the high and middle or between the middle and low groups. Third, individuals can leave the labor force through death or retirement. Fourth, they can enter or leave the United States (that is, immigration or return migration).

The counterfactual proceeds in two stages. In the first stage the actual number of Japanese immigrants entering the labor force, the occupational transitions, and the number leaving the labor force because of death or retirement are estimated for the decade of 1920 to 1930. The second stage is a counterfactual that estimates the 1930 occupational distribution of Japanese immigrants assuming that return migration was uniformly distributed across occupational groups, with other variables (the number of entrants into the labor force, the rate of leaving the labor force, and the rate of transition between occupational groups) assumed to have remained the same as the estimates from the first stage.

The calculations in the first stage are based on occupational data from the 1920 and 1930 censuses, data from the INS on the numbers of Japanese entering and leaving the United States in each occupation between 1920 and 1930, and the age distribution and death rates of Japanese immigrants between 1920 and 1930.¹⁹ Finally, those entering the labor force are calculated as a residual.²⁰

One assumption made in this stage of the model is that the rate of leaving the labor force due to death or retirement is uniform across occupations. This is not a great leap, because the median age among the different occupational groups was very similar.²¹ Two other assumptions of an accounting nature are also made. Japanese immigrants entering the United States are assumed to enter the same occupation that they had in Japan, and other entrants to the labor force are assumed to start in the low occupational group. In fact, Japanese, like other immigrants, were likely to take jobs at a lower occupational level when they first came to the United States. However this drop is accounted for in the model by counting it as a downward transition. New entrants to the labor force are most likely to get "entry-level" occupations such as farm laborers, nonfarm laborers, and domestic service,

¹⁸ Unfortunately, the INS records for entry and exit of Japanese by occupation only go up to 1931, so this same counterfactual cannot be done for 1930 to 1940.

¹⁹ See the Appendix for the calculations. Deaths are estimated from the expected survivors table in Thomas, *Salvage*, pp. 582–83. Retirees are estimated from the age table in Thomas, *Salvage*, p. 578, by assuming that all workers who reached 65 retired.

²⁰ This group would be made up of (1) youths entering into "gainful employment" after completing school, (2) women entering into "gainful employment" from household production, and (3) undocumented immigrants not recorded by the INS.

²¹ The median age of the high and middle occupational groups was 54 years in 1940 and 56 years for those in the low occupational groups. Median ages were calculated by the author from a census of Japanese Americans taken when they were being transferred to concentration camps in 1942, known as War Relocation Authority Form 26. See Broom and Reimer, *Removal*, pp. 15–17, 225–28; and Suzuki, "Japanese American Economic Achievement," pp. 92–95, 161–64, for more on WRA Form 26.

TABLE 3
COMPARING OCCUPATIONAL DISTRIBUTIONS IN 1930: COUNTERFACTUAL
ESTIMATES AND ACTUAL STATISTICS

Occupational Group	1920 Actual	1930 Counterfactual	1930 Actual
High	11,898 (20.5)	13,403 (27.3)	14,103 (28.7)
Middle	12,326 (21.3)	9,016 (18.3)	11,761 (23.9)
Low	33,679 (58.2)	26,720 (54.4)	23,275 (47.4)
Total	57,903 (100)	49,139 (100)	49,139 (100)
Index of Occupations	1.624	1.729	1.813

Notes: For definitions of occupational groups, see Appendix Table 1. Numbers in parentheses are percentages. Percentages may not sum to totals due to rounding off. Index of occupations assigns a value of three to the high occupational group, two to the middle occupational group, and one to the low occupational group. The index is a weighted average of these values for each year.

Sources: Table 1 and Appendix Table 2.

but those that manage to start their working lives with more skilled work are counted as an upward transition.

The results of these calculations are as follows: some 12,746 Japanese immigrants were estimated to have entered the labor force during the 1920s, whereas an estimated 6,902 left the labor force.²² The estimates of occupational transitions are sizable: of the 46,425 Japanese immigrants who were in the low occupational group in 1920 or entered the labor force during the 1920s, there was a net upward movement of 7,136 or 15 percent. There was an even higher rate of upward mobility among those in the middle group of occupations: out of 19,462 Japanese immigrants who were in these occupations in 1920 or moved up from the lower occupations during the decade, some 7,437 or 38 percent were estimated to have moved to the high occupational group (see Appendix Table 1).

The counterfactual estimates made in the second stage by assuming a uniform rate of return migration across occupations can be seen in Appendix Table 2. The counterfactual estimates show fewer Japanese immigrants in the middle and high occupations and more in the low occupational group. To compare the actual statistics with the counterfactual estimates, I use a simple "index of status." This index assigns a value of three to "high" occupations such as farmers, business people, and professionals; a value of two to "middle" occupations such as sales, clerical, nondomestic service workers, craftsmen, and operatives; and a value of one to "low" occupations such as farm laborers, nonfarm laborers, and domestic servants. The value of the index is an average weighted by each group's proportion of the labor force. In 1920 this index was 1.624 and increased to 1.813 in 1930, an increase of 11.7 percent. But using the counterfactual occupational distribution in 1930 would only increase the index to 1.729, an increase of only 6.5 percent (see Table 3).

Thus the answer to the question, could the selective return migration of Japanese immigrants account for a significant part of their observed improvement in occupational position in the United States? is yes. Using a simple index of occupations, almost one-half of the increase in occupational status between 1920 and 1930 can be accounted for by selective return migration.

²² See the Appendix for the calculations.

EXTENDING THE ARGUMENT

The increase in Japanese immigrants in the highest occupational categories is not only biased upward because of selective return migration, it also overstates the economic gains in the farming sector. Between 1920 and 1930 the number of Japanese immigrant farmers increased from 6,277 to 6,406, and as a percentage of those gainfully employed, they rose from 11 to 13 percent. These increases mask a deterioration in the economic status of Japanese American farmers as measured by the number of acres farmed and their tenancy status.

The alien land laws had a severe impact on Japanese American farmers. Between 1920 and 1930 the total number of acres farmed by Japanese Americans dropped from 491,625 to 324,300, or by 34 percent.²³ In California, where three-quarters of all Japanese American farmers lived, the number of acres owned by Japanese American farmers dropped by 40 percent, from 75,000 acres to 45,000 acres between 1920 and 1925, and dropped even further by 1932. During this same period, the number of acres rented by Japanese tenant farmers in California dropped by three-quarters, falling from 313,000 acres to only 76,000 acres. The total number of acres farmed by Japanese continued to fall right up to the beginning of World War II.²⁴

It is also quite possible that selective return migration may have played an even greater role in the 1930s than it did in the preceding decade and could help explain the apparent economic achievement of Japanese Americans during the Great Depression. As historian Roger Daniels noted, "the Japanese American community, . . . perhaps more than any other ethnic groups, saw its relative economic status wax rather than wane during the 1930s."²⁵ Looking at Table 1, the proportion of Japanese immigrants in the high occupational group increased during the 1930s, whereas the proportion in the low occupational group continued to shrink. However, the absolute number of Japanese immigrants who were professionals, business people, and farmers fell by more than 15 percent between 1930 and 1940, whereas the number in the middle occupational group fell more than 30 percent and the number of farm laborers, nonfarm laborers, and domestic workers fell almost 50 percent.

These drops reflect the continuing net emigration of Japanese immigrants from the United States during the 1930s. Altogether, there was a net departure of 15,819 Japanese immigrants during this decade, or 22 percent of their 1930 population. Although no occupational data was reported by the INS for this decade, INS data for 1925 to 1931 (that is, following the 1924 immigration law that excluded Japanese from the United States) shows that virtually all of the net emigration of gainfully employed Japanese from the United States consisted of laborers and domestics.²⁶ If these trends continued during the

²³ U.S. Bureau of the Census, *Census of Agriculture (1950)*, p. 937.

²⁴ The drop in acres owned and rented by Japanese Americans between 1920 and 1925 was partially offset by a rise in acres farmed under labor contract, where they were paid a set wage for farming. However, the total number of acres farmed by Japanese Americans in California, including those worked under labor contract, declined by one-third, from 438,000 acres to 330,000 acres between 1920 and 1925. There was also an increase in the number of acres owned by Japanese Americans between 1932 and 1942 (although it never regained the level of 1920). This change might be accounted for by the growing number of American-born Japanese who could legally own and lease farm land. For data on Japanese American farming in California, see Higgs, "Landless by Law," p. 222; and Ichioka, *Issei*, pp. 150, 234.

²⁵ Daniels, "Japanese America," p. 35.

²⁶ During this period there was a net out-migration of 75 professionals, business people, and farmers; a net in-migration of 175 craft, operative, retail, sales, and service workers, and a net out-migration of 9,331 laborers, farm laborers, and domestics. For the years 1925–1928, see Ichihashi, *Japanese in the United States*, pp. 402–05; for the years 1925 to 1931, see Commissioner General of Immigration, *Annual Reports* for the following years: 1925 (p. 179), 1926 (p. 160), 1927 (p. 182), 1928 (p. 181), 1929 (p. 175), 1930 (p. 191), 1931 (p. 209).

1930s, then the selectivity of return migration would have been greater than in the 1920s and there would be an even greater impact on the occupational distribution.

Finally, what caused this selective return migration? Return migrants can be either more or less successful than the average immigrant.²⁷ In the case of Japanese Americans, anti-Japanese laws played a major role.²⁸ The impact of the alien land laws, which barred Japanese immigrants from buying or leasing farm land, fell immediately on the tenant farmers who lost their leases. But in the longer run, the ban on owning and leasing land fell most heavily on farm laborers, who lost any hope of moving up the agricultural tenant ladder and becoming landowning farmers.

Another factor was the 1924 exclusion of Japanese. Male Japanese immigrants, who outnumbered female immigrants by more than two to one in 1920, could no longer bring their wives from Japan. The ban on immigration fell most heavily on laborers who were much less likely to be married, or if married, less likely to have brought their wives to the United States.²⁹ During the 1920s, 95 percent of the net departures of Japanese from the United States and Hawai'i were men.³⁰

CONCLUSION

My finding that the selective return migration of Japanese immigrants could account for much of their improvement in occupational position in the period before World War II contributes to the debate over the economic achievement of Japanese and other Asian Americans as well as the broader debates over the economic achievement of immigrants and different racial groups in the United States.

Previous criticisms of the view that Japanese Americans were a "model minority" who had achieved economic success in the face of racial discrimination challenged the measurement of the economic position of Japanese and other Asian Americans and argued that their economic achievement was a result of the middle-class and more educated background of Asian immigrants. The findings of this note present an additional critique: that much of the measured economic achievement was due to selective return migration.

Borjas argued that the disproportionate return migration of lower-achieving immigrants would increase the measured rate of economic improvement of those immigrants who remain.³¹ Barry Chiswick disputed this view, but does not provide any data on actual rates of return migration.³² This note provides empirical evidence that in the case of Japanese Americans, the selective return migration of an immigrant group did bias the measurement of their economic position.

Nonetheless, one cannot dismiss all the evidence of Japanese American economic achievement. Indeed, this note's estimates of occupational mobility show a large number of Japanese immigrants improved their occupational position during the 1920s. But most Japanese immigrants were not in these favored categories, and being Japanese American was no guarantee of economic success in interwar America. This was certainly the view taken by many of the 27,000 Japanese immigrants who left America between 1920 and 1940.

²⁷ See Piore, *Birds of Passage*, for a model in which more successful immigrants return.

²⁸ Azuma, "Japanese Immigrant Farmers," p. 27.

²⁹ Chan, *Asian Americans*, p. 108; and U.S. Senate Document, *Japanese*, pp. 27–28.

³⁰ Commissioner General of Immigration, *Annual Reports* for the following years: 1921 (pp. 34, 37, 100, 103), 1922 (pp. 32, 35, 96, 99), 1923 (pp. 48, 51, 114, 116), 1924 (pp. 42, 45, 110, 112), 1925 (pp. 122–25), 1926 (pp. 116–19), 1927 (pp. 134–37), 1928 (pp. 134–37), 1929 (pp. 128–30), 1930 (pp. 144–47).

³¹ Borjas, *Economic Theory*, p. 476.

³² Chiswick, "Human Capital," pp. 10–11.

Appendix: Estimating the Occupational Distribution of Japanese Immigrants in 1930 Assuming a Uniform Rate of Return Migration

STEP 1: ESTIMATE THE RATES OF LEAVING, OCCUPATIONAL CHANGE, AND ENTRY INTO THE LABOR FORCE FOR 1921 TO 1930.

The number leaving the labor force in each occupational group:

For a given occupational group x (where $x = 1, 2, 3$ represents the low, middle, and high occupational groups, respectively), the estimated number leaving the labor force, L_x , is the total number of leaving, L_t , times the average of the size of occupational group between 1920 and 1930, $[P_x(20) + P_x(30)] / 2$, divided by the average total population $[P_t(20) + P_t(30)] / 2$.

$$L_x = L_t[P_x(20) + P_x(30)] / [P_t(20) + P_t(30)] \quad (1)$$

The occupational transitions and entry to the labor force:

For a given occupational group x , the size of the occupational group in 1930, $P_x(30)$, is equal to the size of the group in 1920, $P_x(20)$, plus entrants into the occupational group, E_x , plus (minus) the net gain (loss) through immigration, I_x , minus those moving up to the next higher occupational group, U_x , less the number leaving the labor force, L_x .

$$P_x(30) = P_x(20) + E_x + I_x - U_x - L_x \quad (2)$$

Note that those moving up (U_x) are entrants into the next higher occupational group so that $U_x = E_{(x+1)}$ for $x = 1$ and 2 (low and middle groups). E_1 is the number of new entrants to the labor force, and there is no upward mobility from the high occupational group, so $U_3 = 0$. Given the data for $P_x(30)$, $P_x(20)$, and I_x , and estimates for L_x , one can solve for E_x and U_x , beginning with the high occupational group ($x = 3$).

The results are shown in Appendix Table 1.

APPENDIX TABLE 1
ESTIMATED DEATHS AND MOBILITY OF JAPANESE IMMIGRANTS, 1920 TO 1930.

Occupational Group	1920	Leave Labor Force	Net Immigration	Net Mobility	1930
High (Middle to high)	11,898	1,677	-3,555	7,437	14,103
Middle (Low to middle)	12,326	1,553	1,289	7,136	11,761
Low (Entering)	33,679	3,672	-12,342	12,746	23,275
Total	57,903	6,902	-14,608		49,139

Notes: "High" occupational group refers to farmers, proprietors, and professionals. "Middle" occupational group refers to craftsmen, operatives, retail and sales workers, and service workers. "Low" occupational group refers to farm laborers, other laborers, and domestic servants. Mobility refers to movement from middle to high, low to middle, and entering the low occupational group, respectively.

Sources: Occupational data are from Table 1. Net immigration is from Table 2. Leaving labor force and occupational mobility are estimated as per stage 1 of the Appendix.

STEP 2: ESTIMATE THE 1930 OCCUPATIONAL DISTRIBUTION

(all variables estimated on the basis of the counterfactual assumptions are denoted by an asterisk [*])

Immigration (emigration) into (from) each occupational group:

Assuming a uniform rate of return migration between 1920 and 1930, the number of immigrants for each occupational group, I_x^* , will be equal to the total number of immigrants, I_t , times the average number in each occupational group between 1920 and 1930 divided by the average total labor force between 1920 and 1930. Note that these will be negative numbers because there was a net emigration of Japanese from the United States during this decade.

$$I_x^* = I_t[P_x(20) + P_x(30)^*] / [P_t(20) + P_t(30)] \quad (3)$$

The number leaving the labor force in each occupational group:

For a given occupational group x the estimated number leaving the labor force, L_x^* , is the total number, L_t , times the average of the size of the occupational group between 1920 and 1930 divided by the average total population.

$$L_x^* = L_t[P_x(20) + P_x(30)^*] / [P_t(20) + P_t(30)] \quad (4)$$

The rate of occupational mobility:

The number moving up from an occupational group x ($x = 1, 2$), U_x^* , will be equal to the actual number moving up, U_x , times the estimated average size of the occupational group between 1920 and 1930 divided by the actual average size of the occupational group between 1920 and 1930.

$$U_x^* = U_x[P_x(20) + P_x(30)^*] / [P_x(20) + P_x(30)] \quad (5)$$

Calculation of the size of the occupational groups in 1930 given a uniform rate of return:

Modifying equation 2, we can calculate the size of each occupational group given a uniform rate of return, $P_x(30)^*$, as

$$P_x(30)^* = P_x(20) + E_x^* + I_x^* - U_x^* - L_x^* \quad (6)$$

Substituting equations 3, 4, and 5 into equation 6, and rearranging terms:

$$P_x(30)^* = \frac{[2P_x(20) - E_x]}{1 + U_x / [P_x(20) + P_x(30)] - (I_x - L_x) / [P_t(20) + P_t(30)]} - P_x(20) \quad (6a)$$

Because the number of entrants into the labor force is the same, $E_1^* = E_1$, one can solve for $P_x(30)^*$, beginning with the low occupational group ($x = 1$).

The results are shown in Appendix Table 2.

APPENDIX TABLE 2
COUNTERFACTUAL ESTIMATE OF OCCUPATIONAL DISTRIBUTION OF JAPANESE
IMMIGRANTS IN 1930

Occupational Group	1920	Leave Labor Force	Net Immigration	Net Mobility	1930
High (Middle to high)	11,898	1,631	-3,453	6,589	13,403
Middle (Low to middle)	12,326	1,376	-2,912	7,567	9,016
Low (Entering)	33,679	3,895	-8,243	12,746	26,720
Total	57,903	6,902	-14,608		49,139

Note: See the note in Appendix Table 1 regarding the definitions of occupational groups and mobility. 1920 occupation data are based on the census; all others are estimated in the counterfactual.

Sources: The 1920 occupational data are from Table 1. For the estimated net immigration, leaving labor force, and occupational mobility, see the Appendix, step 2.

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