

RETURN INNOVATION

The Knowledge Spillovers of the British Migration to the US, 1870–1940^{*}

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Abstract

What drives the diffusion of knowledge across countries? In this paper, we document that out-migration generates a flow of novel knowledge from the country of destination to the country of origin of migrants. During the Age of Mass Migration, nearly four million British migrated to the US. We construct a novel individual-level dataset linking British immigrants in the US to the UK census, and we complement it with the newly digitized universe of UK patents. Using a new shift-share instrument for bilateral migration and a triple-differences design, we document a positive, significant, and persistent effect of exposure to US technology through migrant ties on the direction of innovation in Britain in 1870–1940. The individual-level analysis indicates that this “return innovation” effect does not require the physical return of emigrants. Instead, migration linkages generate information flows that facilitate the cross-border diffusion of novel knowledge. Our findings suggest that the market integration fostered by migration ties is an additional driver of these knowledge flows.

Keywords: Age of Mass Migration, Information, Innovation, Out-migration.

JEL Classification: F22, N73, N74, O15, O31, O33.

^{*}We are extremely grateful to Mara Squicciarini for her continued guidance and support. For insightful comments and discussions, we also thank Jan Bakker, Enrico Berkes, Maristella Botticini, Carola Frydman, Simon Görlach, Walker Hanlon, Leander Heldring, Matteo Leombroni, Nicola Limodio, Paolo Masella, Filippo Mezzanotti, Joel Mokyr, Alessandro Nuvolari, Laura Ogliari, Sebastian Ottinger, Eleonora Patacchini, Marta Prato, Nancy Qian, Joshua Rosenbloom, Paola Sapienza, Carlo Schwartz, Marco Tabellini, Edoardo Teso, and John Van Reenen. We thank audiences at the EHA (Pittsburgh), EHS (Cambridge), and ES (Berlin) conferences, at the 10th CEPR Economic History Symposium, and seminar participants at Bocconi, Milan, Northwestern, Cologne, and Uppsala. Antonin Bergeaud, Enrico Berkes, and Walker Hanlon kindly shared data with us. We are grateful to Bocconi, Fondazione Invernizzi, LSE, MapTiler AG, and POID for financial support. Davide Coluccia thanks the Department of Economics at Northwestern University for hospitality. All errors are our own.

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