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The Italians abroad after Unification. The analysis of emigration in Brazil through money flows data sources

Alessandra De Rose and Donatella Strangio

Abstract Between 1961 and 1985 more than 1,400 thousand Italians left the country towards Brazil and there produced a great amount of wealth, part of which had been remitted in Italy. In this paper we will concentrate on the main estimate of the financial flows through the study of official sources and try to take information from various data sources, and provide an evaluation of figures relative to the years between Unification and 1910, a period highly important for the Italian emigration to Brazil.

Key words: Emigration, Remittances, Brazil

1 Figures of the Italian "exodus"

The Italians have been the protagonists of the more massive "exodus" in contemporary history. In the 100 years run after Unification more than 24 million people left the Country [10]. Every region of Italy had been interested by the phenomenon, though in different periods of time. Between 1876 and 1900, 59% of the flows came from the Northern regions, namely Veneto, Friuli Venezia Giulia and Piemonte; at beginning of '900 the situation inverted and the more paying regions became Sicilia, Campania and the other Southern regions. Between the two World Wars the flows were more equally distributed

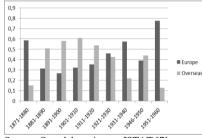
¹ Alessandra De Rose, Dipartimento di metodi e modelli per l'economia, il territorio e la finanza; email: alessandra.derose@uniroma1.it

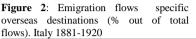
Donatella Strangio, Dipartimento di metodi e modelli per l'economia, il territorio e la finanza; email: donatella.strangio@uniroma1.it

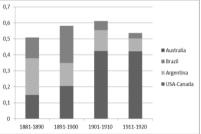
between South and North, while after 1945 the majority of emigrants left from the Southern part of the Country (53%).

As to the direction of the flows, figure 1 shows the different role played through time by Europe (namely France, Germany and Switzerland) and overseas lands (namely North America, Argentina, Brazil and Australia) as destination of the Italian emigrants.

Figure 1: Emigration flows to Europe and Overseas (%). Italy 1871-1960







Source: Our elaboration on ISTAT [7]

Between 1881 and 1920, overseas emigration prevailed. In Figure 2 a focus on that period is proposed, showing the flows by main countries of destination.

2 The case of Brazil

The first arrivals of Italians in Brazil date 1936: it has been estimated that at the end of the century more than 1.5 million Italians reached the country [5].

In the last decade of the XIX century, Brazil became the prevailing destination for Italian emigrants. The main factor for the flows to increase was the abolition of slavery in 1888. Already since 1850 a series of laws had made it more difficult to use slaves for the plantation, just when the great success of the coffee market induced a significant expansion of its cultivation. The colonization of the vast and unkind territory of Brazil and deforestation were other strategic Government's objectives. Immigration was, therefore, actively promoted mainly in Europe, namely Germany and the North of Italy: white-skin people and with a peasant experience were highly welcome [9]. In the early eighties of the nineteenth century was launched the so-called "subsidized emigration" on a national scale, which included free transportation of migrants at the expense of the Brazilian Federal Government.

The Italian peasants arrived in Brazil after the Germans, mainly in the South of the country, namely in the areas of Holy Spirit, Rio Grande do Sul and Santa Caterina, where the colonial nuclei assigned to them were the most forester regions, the less fertile, with very poor ways of communication and

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The Italians abroad after Unification.

without any medical care or religious services. In St. Paul, called "Italian city", migrants joint the newly born industry, and the Italians represented the majority of total foreign workers [5].

The conditions of work and life were, however, very unpleasant and proved to be so severe as to induce many Italians to return and push our Government to ban subsidized emigration toward Brazil in 1902 by a decree (*Prinetti Decree*). After that, the number of Italian emigrants to Brazil sharply decreased also as an effect of a cyclical downturn of the coffee production [9].

3 The economic evaluation of the emigration experience: the role of the remittances

A quantification of the phenomenon from an economic standpoint is rather difficult. A main problem is that the Italian immigrants entrusted only a portion of their savings to the formal transfer channels. Other ways of sending money, considered as more comfortable and less expensive, although much less documentable, were: the shipment in an envelope by mail, registered or insured cash as the tickets by the Italian State or by the Italian banks of issue or insured bank checks [6]; delivery through relatives and friends who returned; transported by themselves when coming back; or by the services offered by some private bankers. Many scholars have sought to provide a reliable estimate of these flows through the study of official sources and the estimation of the not-traced component. It has been estimated that, in the years following Unification and before 1910, most of the money flows from migrants (50-55% out of the total) passed through official channels, while between 20% and 30% passed through the informal ones.

The postal system of the new Kingdom of Italy offered three kinds of security to customers for the transfer of migrant remittances: international money orders, money orders and payments consular post in the savings banks. The international money order service has been granted by the Italian post office since 1862 but it was not readily available until the end of the century. In America, for instance, it was very rarely used; in Brazil the service was completely lacking [6], whereas the use of international money orders was common among immigrants in Europe [2]. According to data published by the General Commissioner for Migration, 76% of the total number of money order between 1901 and 1925 came from continental Europe; 27% from USA and Canada and only 1% from other countries [3].

The Law 2779/1875 established the postal savings banks system, linked to the postal system [4]. The savings put into storage in the new postal system increased over the first decade from 2 to 200 million at current prices [8]. The postal savings operations on behalf of Italians living abroad, established in 1890, grew rapidly, from an initial amount of about 87,000 lire in 1860 to 15

million in 1900 and rose to 107 million in 1910, to two billion and 600 million in 1920 and almost 3 billion and 700 million in 1925.

As to the banking system, it must had appeared to our migrants as a variegated world, managed by few actors (private bankers or "countermen") most of whom Italian themselves, engaged in business enterprises without any control by public authorities or private companies. The survey "Immigrant banks" held by the U.S. Commission on Immigration, submitted to the Congress in 1910, shows that in a sample of 116 Immigrant Banks (of which 47 Italian) only one was involved exclusively in banking business, while, among the remaining 115, 8 were also shipping companies.

At the end of the nineteenth century the problems that plagued the Italian immigrants were known and there was also awareness that the cash flows related to migration were significant. In 1901, on a proposal by Luigi Luzzati, a law was approved that mandated the Bank of Naples (one of the three issuing banks) to pay special attention to this task.

The success was only partial, and the Bank of Naples came to mediate a very small proportion (13.5%) of total remittances. In the period 1902-1925 just under 6 billion current lire had been intermediated, 83% came from the United States alone, 14% from South America (almost entirely from Argentina and Brazil), 3% from Canada and only 0.2% from Europe (almost all from Germany). In 1910 the Bank of Italy promoted a survey among the entire Italian banking system referred to the year 1909 [1]. It gives a picture of how the collection was organized through the banking at the end of the first decade of the twentieth century [10].

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