

Paul Caruana Galizia, *Mediterranean Labor Markets in the First Age of Globalization. An Economic History of Real Wages and Market Integration* (New York: Palgrave Macmillan, 2015)

Migratory flows, both legal and illegal, are rising day by day in the Mediterranean countries. This fine book by Caruana Galizia does not deal, however, with today's recent phase of migration, but with migration of Mediterranean people both within the Mediterranean and beyond between 1820 and 1915.

In this period, population overseas outflows numbered 46-55 million on the global scale, mostly from Europe to the New World. The Mediterranean migration flows were only a tiny fraction of this overall figure. They were remarkable, however, especially from countries such as Malta, between 1860 and 1880, as well as Algeria and Italy between 1890 and 1913.

In the case of human beings, the main reasons for the mobility were primarily two: 1. The disparity in wages and labour demand between the region of emigration and the region of immigration; and 2. The transport costs to migrate. As T. Hatton and J. Williamson (whose approach the author closely follows) showed, "migrants left countries with abundant labor and low living standards and entered countries with scarce labor and high living standards" (p. 31). The declining transport costs in the age of steam played a pivotal role in any case. Yet wage differentials and transport costs were not the only reasons of migration. The author remembers, in fact, other determinants of migration flows, such as: the level of development of the sending country, proxied by the level of per capita GDP; the intensity of demographic growth in those countries from where people departed; and the presence of emigrants in those regions where new emigrants were directed (which indirectly measures "the assistance of previous emigrants through more information flows and remittances" (p. 54)). Econometric tests, developed in the central section of the book, confirm the robustness of the relations among those variables. There are similarities between the Mediterranean and other European regions of migration. In contrast to northern Europe, however, in the Mediterranean industrialisation played an offsetting role: it arrived later than in northern Europe and began to exert a downward pressure on emigration rates since it contributed to narrow the wage gap, which is the main reason of emigration.

Attention is devoted by Caruana Galizia not only to migratory flows from the Mediterranean to the New World, but to those occurring within the Mediterranean as well. Migration contributed deeply to labor market integration and was, as a consequence, positive from an economic viewpoint. It was, in fact, a main reason for the increase in wages within the countries from where migrants departed (since capital per worker grew) and decline in countries where migrants went (since capital per worker and then labour productivity diminished): "by emigrating, unskilled laborers, who were the abundant factor, made themselves a scarce resource at home, increasing their home country wage rate relative to that of skilled laborers" (p. 102). These were and still are the reasons why migratory flows

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were and are hampered both in the countries from where migrants originated (such as by landowners, in Italy, forced to pay higher wages) and in the countries where they arrived (primarily by local workers, who saw their wages fall or stabilise). The main message of the book is that the free movement of production factors (and also goods) favours decline in inequality and convergence in prices and wages; although it always finds resistance by wide sectors of the society, whose privileged position is shattered. Yesterday such as today!

There is no doubt that the book by Caruana Galizia is a serious contribution not only to the history of the Mediterranean economy, but also to the literature on convergence, globalisation and inequality. Since, for the period under examination, data on GDP lack entirely for some Mediterranean countries or are little reliable, the choice by the author has been to collect information on real wages (as explained in the Appendix on the sources). Actually, this information could be more reliable, at least in the cases of Spain, France and Italy, whose data, as used by Caruana Galizia, are those provided by R. Allen in his 2001 article on *The Great Divergence in European Wages and Prices*. It is hardly credible that wages of unskilled workers were higher than those of skilled workers in Italy, in the last decades of the nineteenth century, and Malta, around the middle of the same century (Figure 6.1, p. 87).

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