Session 1: An Overview of Immigrant Ghettos

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Outline

- A narrative history of enclaves, with special attention to the United States.

- Economic rationales for enclaves.

- Motivation for studying enclaves.

- The measurement of segregation.

Ghettos

- Origin of term: Jewish residential enclave in 15th century Venice.

- Wirth's essay (1927) partitions history.

- Period 1: voluntary segregation (15th century through the Crusades)
  - Rise of urbanization in Europe
  - Recreation of ethnic village-type social interactions in an urban setting.

Ghettos

- Period 2: Involuntary segregation (Crusades-mid-20th-century)
  - Christian militancy generates demand for formalized separation of religious groups. In some cases, demand extends beyond ghettoization (Spanish inquisition).
  - Jews face mandated legal separation through the mid-19th century in many European nations.
  - Wirth was premature in declaring an end to forced segregation.
    - WW II in Europe, US, Canada
    - African-American ghettos: a mixed case.

Ghettos

- Period 3: a return to voluntary patterns.
  - Gradual shift over a lengthy period.
    - US: legal forms of discrimination against African-Americans persist through 1968. A special case worth further thought.
    - Separation continues to be enforced by legal or quasi-legal authority in many parts of the developing world.
  - Some evidence that relaxation of restrictions leads to a reduction in segregation.

African-American Ghettos

- Through 1920: African-Americans predominantly rural (legacy of slave-based agriculture).

- Rapid urbanization 1920s and 1940s-60s introduces ghettos.

- Legal enforcement promotes their growth
  - Zoning laws (through 1917)
  - Restrictive covenants (through 1948)
  - Discrimination in government mortgage insurance (through 1960s)

Prerequisites for segregation

- Urbanization.

- Ethnic (or socioeconomic) division.

- Some combination of the following:
  - Low-cost transportation
  - Ethnic/socioeconomic occupational specialization plus locational clustering of occupations

Economic rationales

Group i residing in city j at time t may form an enclave for any of the following reasons:

WITHIN-GROUP DEMAND

1. Localized economies of scale in the provision of goods and services valued by i but not $-i$.

2. Linguistic or other cultural differences between i and $-i$ which reduce the expected value of inter-group transactions.

Economic rationales

3. Spatial clustering of housing offered at specific price levels, coupled with inter-group differences in demand (owing to income or preferences).

4. When i is subject to persecution by $-i$, protection.

DEMAND FROM OUTSIDE

1. Primitive tastes for discrimination against i.

2. Profitable exclusion of i from some forms of economic activity: maintenance of market power.

Economic rationales

- Final category: one of the preceding rationales held at time t-x; if the turnover rate of housing is sufficiently slow, and rationales still hold at least weakly, then segregation persists.

- Schelling's tipping model.

Why study enclaves?

- Central hypothesis: enclaves retard economic and social integration.

- Societies have an interest in promoting integration.

- Societies should care about the extent of ghettoization.

- Difficulty in testing the central hypothesis: self-selection into ghettos.

Hypothetical city

- 100 homes

- 25% minority
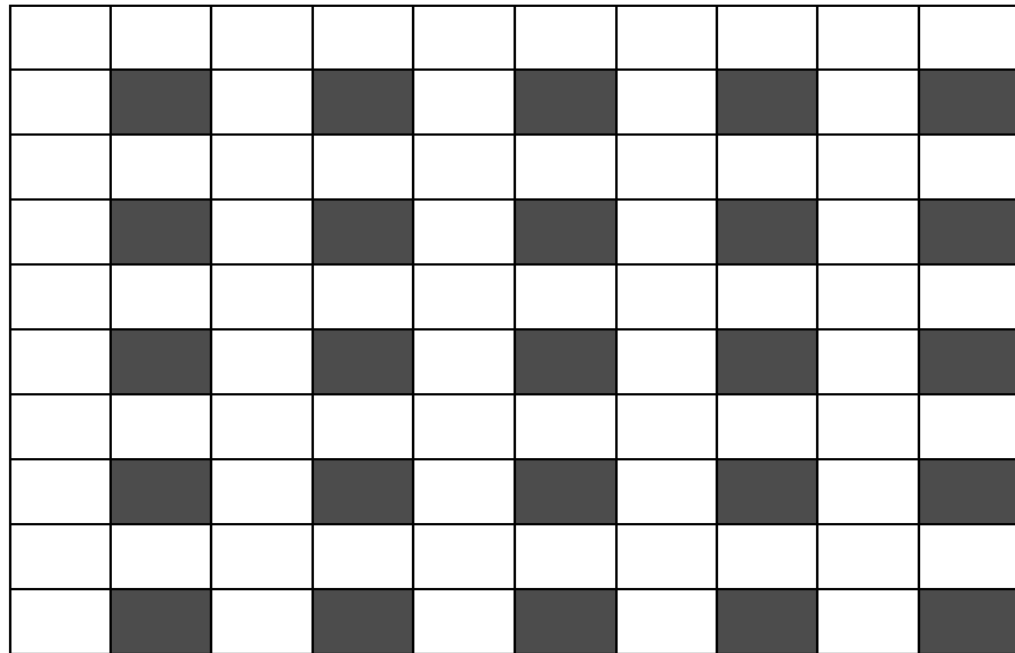
Baseline: no enclave

Definite enclave
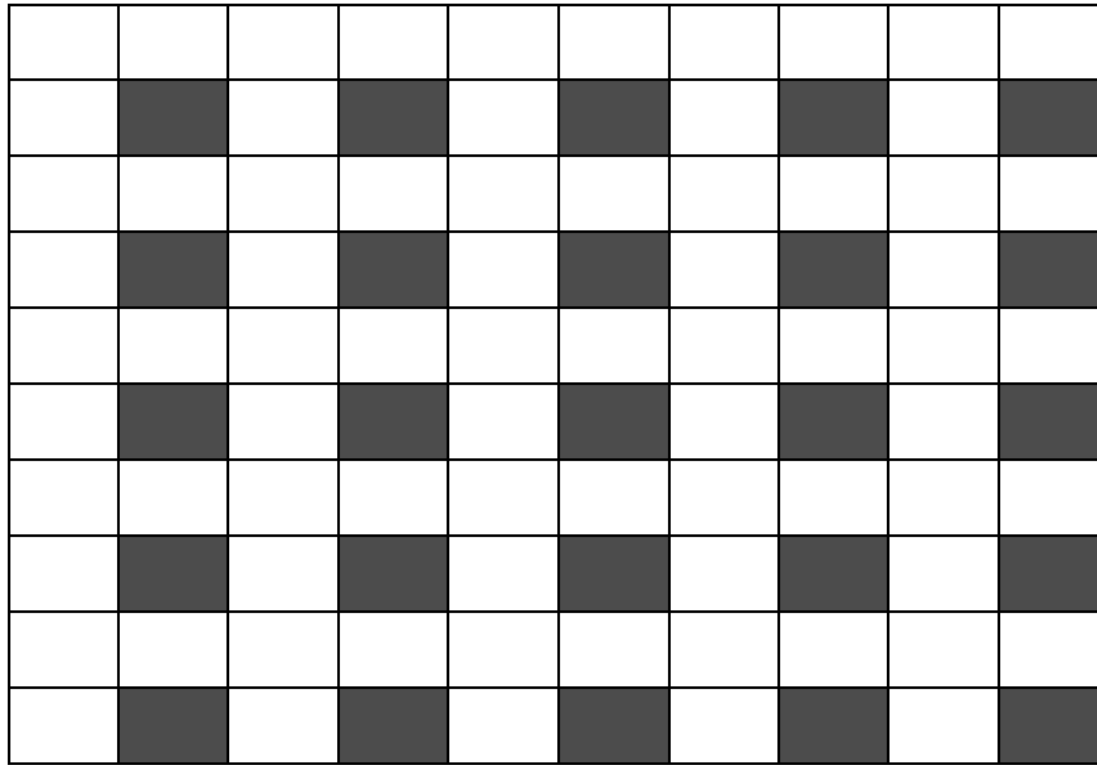
Measurement of segregation

- Segregation index: categorizes groups on a scale from perfectly integrated (baseline) to perfectly segregated.

- Traditional method: divide city into neighborhoods, determine whether neighborhoods mirror the city as a whole.

- Challenge #1: measures are not invariant to the operationalization of neighborhood.

Four neighborhoods, apparent integration.

Defining neighborhood

- Traditionally, convenience has been the overriding factor. Population reports use conventional measures such as tracts or wards.

- Modern method: define neighborhood by plotting a radius around each household.
  - Requires more specific data on geographic arrangement of households within a neighborhood.
  - These data not available for most of history.

Dissimilarity index

$$\text{Dissimilarity Index} = \frac{1}{2} \sum_i \left| \frac{group_i}{group_{total}} - \frac{nongroup_i}{nongroup_{total}} \right|$$

What proportion of group members (or nongroup members) would have to move in order to achieve evenness across neighborhoods?

Most commonly utilized index.

Challenge #2: see following.

Is this group segregated?

Drawback to dissimilarity

- D≈0.75 in the preceding example. As we'll see, this is a very high value.

- Yet all group members live in a neighborhood where 80% of their neighbors don't belong to the group.

- Solution: Isolation index. Various forms, but here's one version.

$$\frac{\sum_i \frac{group_i}{group_{total}} \times \frac{group_i}{population_i} - \frac{group_{total}}{population_{total}}}{\min\left(1, \frac{group_{total}}{population_{smallest}}\right) - \frac{group_{total}}{population_{total}}}$$

Other segregation indices

- Centralization: are group members in the city center or on the periphery? (Who cares?)

- Concentration: do group members occupy the smallest neighborhoods? (Who cares?)

- Clustering: potentially useful: distinguishes the scenarios on the following slides.

Case 1: high dissimilarity, low clustering

Case 2: equal dissimilarity, higher clustering.
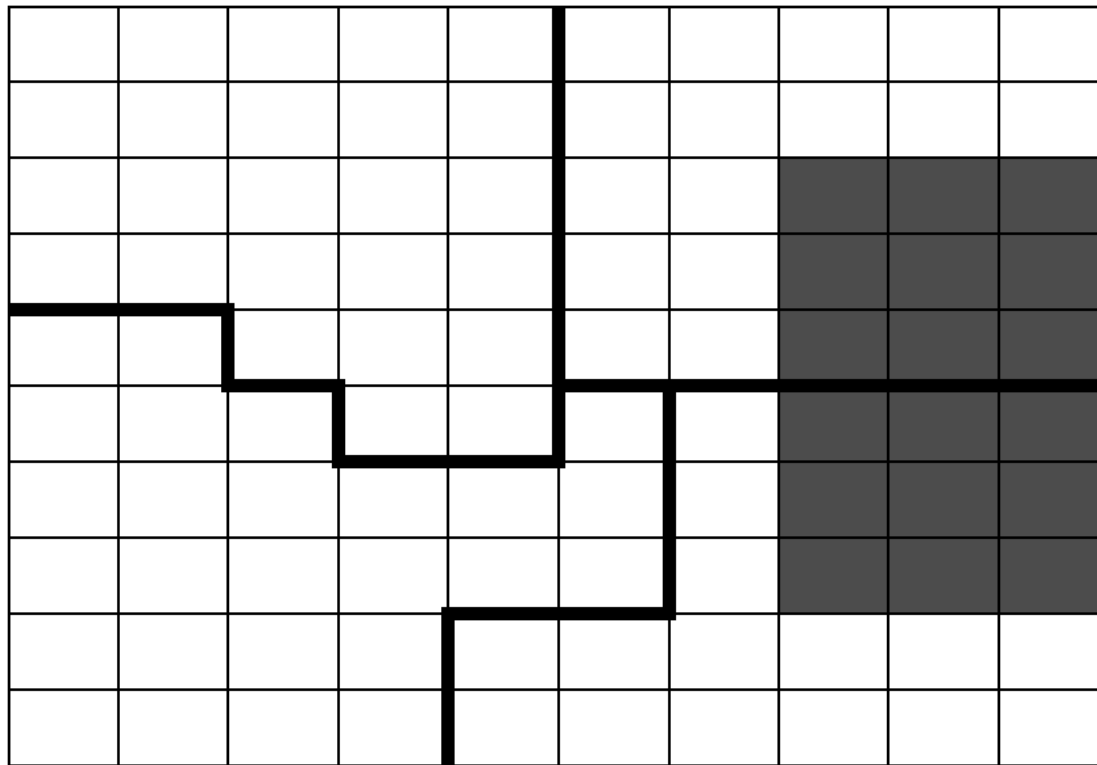
Theoretical underpinnings of segregation indices

- There are none. Sociological measures were devised as descriptive tools; there is some sense that some matter more than others (see Lieberson), but no theoretical justification.

- See Echenique and Fryer (2007) for an attempt to provide an underpinning, which promotes an index highly related to isolation and clustering.