

**Title:****Migration and regional development: evidence from large-scale expulsion of Germans after World War II****Author:**

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**Extended abstract:**

This paper deals with a migration barrier due to restrictive migration policies and exploits the large-scale expulsion of Germans after World War II (WWII) which provides unique opportunities for migration research.

After WWII about 12 to 14 million Germans were expelled from areas that became part of Poland and the Soviet Union but also from other areas in Eastern Europe hosting German settlements in pre-war times. Expellees were forced to move to the remaining territories of Germany which was split into the Federal Republic of Germany (FRG) and the German Democratic Republic (GDR).

The exodus of Germans after WWII can be regarded as one of the most pronounced forced population movements in human history. There is not much statistics on the number and structure of these forced migrants in the GDR while there is detailed census data for the FRG. According to these data the population share of expellees in the FRG was about 17% in 1950 while it was zero five years earlier. In some counties the share was even about 40%. The expulsion was not only unique in terms of its historical dimension but also with respect to its analytical potential in the field of migration. More precisely, investigating forced migration in general and studying the case of the large-scale expulsion of Germans after WWII in particular has several compelling methodological advantages. First of all, migration was not selective. Thus, common problems due to the endogenous decision of people to migrate can be neglected. Secondly, re-migration is also no issue since expellees could not move back to their former home regions in Eastern Europe. Thirdly, expellees and indigenous population in the remaining parts of Germany spoke the same language and were exposed to the same formal education system before WWII. Therefore, the role of language skills and also the pattern of transferability of skills for economic integration do not need to be considered. Fourthly, most expellees arrived in a short period of time in a shock-like wave of mass migration. Thus, time and cohort effects do not matter as well (for details regarding the intriguing analytical features, see Bauer et al., 2013).

There has been some previous research on the role of differences in the population share of expellees across West German regions for post-war economic development. Regional

differences varied between 5% and 40% in terms of the overall population across counties (*Kreise*) in 1950, The variation in the share of expellees was found to be economically relevant. So, there is evidence that high population shares of forced migrants fostered structural change from low to high productivity industries. More precisely, the inflow of expellees had a positive effect on output per worker due to an increase of the employment share of the non-agricultural sector (Braun and Kvasnicka, 2014). It was also shown that expellees from industrialized areas increased educational development in their new home regions (Semrad, 2015). Other research revealed that expellee inflows reduced native employment (Braun and Mahmoud, 2014). At the same time, first-generation migrants still tended to fare worse economically even more than 25 years after their expulsion (Bauer et al., 2013).

The present paper is devoted to investigate regional variation in the expulsion-induced population shock to estimate the effect of this mass migration on regional development. Regional differences in the population share of expellees as such were much likely to be endogenous even though migration as such was not as explained before. In particular, it can be argued that location choice of expellees across West German regions was determined by local characteristics like the degree of war time destruction and the according housing conditions but also by distance to former German territories as was shown by previous research (Braun and Kvasnicka, 2014). The current research project focuses on exogenous variation in the population share of expellees that can be attributed to a migration barrier imposed in some but not all regions of West Germany. In a nutshell, in the first years after WWII West Germany was split into occupation zones administered by the US, UK, and France. The French administration introduced a law that did not allow expellees to settle in their occupation zone. This restriction existed until 1949 while there was no such law in the American and British occupation zone. Accordingly, the share of forced migrants has been considerably lower in West German regions that were part of the French occupation zone in the first years after the war. After 1949, expellees could freely move to German regions that have been part of this zone as well but the relatively low share of expellees persisted.

The paper compares the regional development of counties that were exposed to the migration barrier to counties that did not have such legislation by following a simple difference-in-differences approach (DiD). Thereby, counties along the border of the French occupation zone comprise the treatment group (=introduction of a migration barrier) whereas counties adjacent to this zone comprise the control group. The approach is used to investigate whether the temporary introduction of the migration barrier had a lasting adverse effect on economic development in the regions where it was enforced until 1949.

Following the “border approach” to study the effect of the respective geographic migration barrier on regional development has the advantage that treatment and control group have more or less similar distance to former German territories and presumably relatively similar economic conditions apart from being located in the French or the American-British occupation zone. Thus, unobserved regional heterogeneity should play a minor role.

The analysis uses county-level information on the number of expellees and the indigenous population over time. The focal point is the census of the year 1950 that provides a detailed overview about regional differences in the population share of expellees. The data include also information on the pre-war population level. The 1950 census data comprises also detailed information on the distribution of employment of expellees across sectors which allow assessing the role of occupational specialization of forced migrants for differences in development across regions.

Altogether, the research aims at understanding the long-term costs (and potential benefits) of geographical migration barriers. Preliminary results indicate that regions that were exposed to the migration barrier took distinct paths of development as compared to their neighboring regions without the barrier.

## References

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