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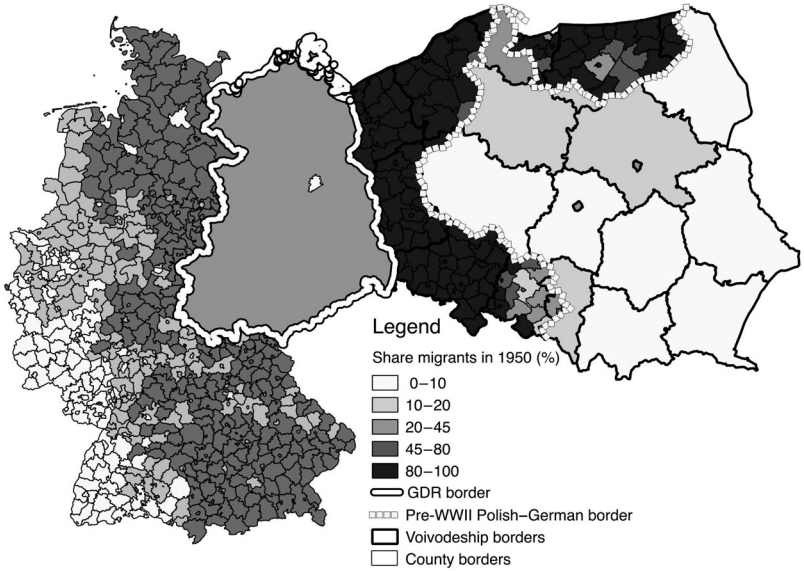
Understanding Forced Migration

Świebodzin, a town of about 22,000 inhabitants in western Poland, hosts two large monuments. One is more famous: At a height of 36 m, it once claimed the Guinness World Record as the tallest Jesus statue. The other is more remarkable: a large gray hexagon topped with three white crosses. Known as the Kresy Necropolis (*Pomnik Nekropolii Kresowych*), it lists some 400 cemeteries around the world where the ancestors of Świebodzin's current residents are buried. Inside the monument are urns with soil from those faraway cemeteries. The monument was installed in 2015, on the seventieth anniversary of WWII, to pay tribute to the town's migratory history.

Świebodzin's residents trace their origins to hundreds of localities in Poland and abroad. This is no coincidence: Świebodzin experienced a near-complete turnover of its population in the wake of WWII. The same holds true for most localities in western Poland (see Map 1.1). In 1945, Poland's borders shifted 200 km to the west – the country received a portion of German territory, in return for ceding its eastern borderlands to the USSR. The redrawing of the borders had massive human consequences. Some eight million ethnic Germans, including the inhabitants of Świebodzin (then called Schwiebus), were expelled from what became western Poland. They were replaced, in turn, by Poles displaced from the eastern borderlands and elsewhere.

This reconfiguration of territory and people resulted from a joint decision by the USSR, the United States, and Britain. Their ostensible goal was to reduce interstate conflict by creating ethnically homogeneous nation-states. Removing ethnic minorities was widely regarded as a legitimate approach to mitigating conflict; so much so that it received far less attention from the Allies than the positioning of the borders themselves (Frank 2017, 227).

These population "transfers," combined with the genocide and ethnic engineering perpetrated by Nazi Germany during the war, made Poland one of the most ethnically homogeneous states in postwar Europe. This was an



Map 1.1 Extent of uprooting in Germany (left) and Poland (right) after WWII. Data for the GDR (DDR) are at country level. Data for Polish territory east of the pre-WWII border are at the voivodeship level.

extraordinary outcome. In 1931, ethnic minorities had constituted nearly a third of the country's population.[1]

In parallel, West Germany received some 12.5 million migrants expelled from the territories annexed to Poland, in addition to ethnic Germans expelled from other countries in Eastern and Central Europe (see Map 1.1). In some localities, the German "expellees" came to outnumber the existing population. Reminiscent of the Kresy Necropolis in Świebodzin, monuments were erected in German towns to commemorate the expulsions, with soil taken from cemeteries in faraway places.

How did the uprooted populations form ties to their new states and societies? Did increased ethnic homogeneity reduce conflict and strengthen social solidarity? How did the influx of millions of displaced individuals affect the receiving states' ability to govern? What were the short- and long-term economic consequences of mass immigration for receiving communities?

[1] According to the 1931 Census, which undercounted ethnic minorities in the east of the country, only 68.9 percent of the population was Polish. Poland's three million Jews largely perished in the Holocaust. After WWII, most members of Poland's Ukrainian, Lithuanian, and Belarusian minorities were located east of the new Polish–Soviet border, in their ethnic republics. The fate of Poland's German minority as well as the *Volksdeutsche* settled in Poland during the war was similar to the fate of Germans who lived east of the Oder–Neisse line.

Answering these questions is critical in today's world. The number of forcibly displaced people has surpassed 100 million. The grim reality is also manifest in Europe, which is currently experiencing its largest refugee crisis since WWII. Fourteen million Ukrainians have fled their country following Russia's invasion in January 2022. Refugees crossing into the EU today are finding shelter in the same towns and villages emptied by bombing, deportation, and genocide eighty years prior; only now, Poles and Germans are on the other side, providing shelter to the displaced Ukrainians.

This book uses the cases of Poland and West Germany to reexamine existing theories about the consequences of mass migration and ethnic homogeneity for state building, public goods provision, and economic development. My contention is that although forced migration has very real negative impacts on societal cohesion and public goods provision in the short term, it ultimately creates opportunities for building stronger states and more prosperous economies.

I will make three related arguments. First, shared nationality does not guarantee acceptance of the uprooted population in receiving communities. Rearranging ethnically homogeneous populations in space is bound to create new cleavages based on migration status and place of origin. These cleavages are no less contentious than ethnic divisions and can undermine the cooperation required to provide collective goods. Second, because heterogeneous societies find it difficult to cooperate, they turn to the state as the main provider of collective and private goods. States that respond to this increased demand not only succeed in incorporating the uprooted population but also expand their capacity. Third, increased state capacity, fused with the skills and knowledge brought by migrants from different places of origin, improves long-run economic performance. Polish and West German communities that were on the receiving end of forced migration after WWII achieved superior levels of income and entrepreneurship. Moreover, communities that received migrants of more diverse origins outperformed those which received more homogeneous groups.

Altogether, postwar population movements diversified Polish and German societies in profound ways and, in so doing, contributed to the growth of each country's state capacity and improved economic performance.

EXISTING RESEARCH ON FORCED MIGRATION AND ETHNIC DIVERSITY

In 1945, the Allies agreed to uproot millions of people in order to create ethnically homogeneous states and societies. They viewed ethnic minorities as "a constant source of grievances and friction," to quote the British foreign secretary Anthony Eden (Frank 2017, 233). Their decision-making was grounded in strong assumptions regarding *national* identities. Individuals' ties to abstract national communities were considered more important than

their ties to the very real communities in which they lived (Long 2013, 47). In the parlance of modern political science, this was a primordialist – or essentialist – view of ethnicity. It held that ethnic identities derive from deeply ingrained biological or cultural attributes, remain stable over time, and produce deep "emotional" attachments. The Allies thus supported the elimination of ethnonational differences as a way to reduce conflict and facilitate democratization.

Scholarly confidence in the ingrained and unchanging features of ethnic attachments has dwindled over time. The view that separating populations can be a viable solution to conflict is now expressed rarely and with caveats (e.g., Kaufmann 1998). Ethnicity is now viewed as constructed and contingent, with individuals able to choose from and hold multiple identities. Institutions, economic resources, demography, and politics are all believed to shape individual identity at any given point (Laitin 1998). Not only has constructivism achieved hegemony in research on ethnicity across the social sciences (Wimmer 2013, 2), but scholars also no longer subscribe to the idea that the presence of multiple ethnic groups and strong ethnic attachments invariably produce conflict. Our theories of conflict and cooperation in ethnically heterogeneous societies have become more nuanced, with greater attention paid to the role of electoral incentives and political institutions, of social norms and networks, of resource scarcity, and of economic inequality.[2]

Despite this shift in our understanding of ethnic identity, ethnic homogeneity remains in high regard among researchers. The idea that ethnic divisions undermine economic development is "one of the most powerful hypotheses in political economy" today (Banerjee, Iyer, and Somanathan 2005, 636). A large body of research has found a negative relationship between ethnic heterogeneity and prosocial behavior, institutional quality, public goods, democratic governance, welfare spending, and economic performance.[3] Studies have shown that empathy and prosocial behavior stop at ethnic boundaries, and that people are less willing to contribute to the welfare of individuals from different cultures and backgrounds (Greenwald and Pettigrew 2014). Heterogeneous societies are believed to be at a disadvantage because their members

[2] On the role of electoral incentives and political competition see Wilkinson (2004); Wimmer, Cederman, and Min (2009); Kopstein and Wittenberg (2018). On the role of voluntary associations and economic interdependence see Varshney (2002); Jha (2013). Economic factors have been highlighted in Dancygier (2010); Fearon and Laitin (2011); Schaub, Gereke, and Baldassarri (2020).

[3] Studies on the costs of ethnic diversity include Alesina, Baqir, and Easterly (1999); Luttmer (2001); Knack (2002); Uslaner (2002); Stolle, Soroka, and Johnston (2008); Gershman and Rivera (2018). Some recent articles have challenged the universal nature of this relationship by demonstrating the endogeneity of contemporary levels of ethnic diversity to historical levels of state capacity and public goods provision (Darden and Mylonas 2016; Singh and vom Hau 2016; Wimmer 2016), or by highlighting the role of ethnic discrimination as an alternative mechanism for the "diversity detriment" finding (Lee 2017) Nonetheless, the notion that homogeneity is beneficial remains relatively unchallenged.

distrust one another and have a reduced capacity for collective action.[4] Ethnic diversity is seen to undermine the accumulation of social capital, defined as "the ability of actors to secure benefits by virtue of membership in social networks or other social structures" (Portes 1998, 6).

Yet, these conclusions about the costs of ethnic divisions contrast with the evidence from cognitive science, sociology, law, economics, political science, and other disciplines that cooperation without trust is common and that modern societies are already endowed with many alternative mechanisms designed to sanction free riding.[5] Throughout history, people successfully bridged their differences and deliberately formalized social ties, when informal trust was lacking, in order to pursue their economic objectives (Greif 2006; Alfani and Gourdon 2012; Jha 2013). Relatedly, a well-established consensus in the literature on economic development is that modern economic growth was made possible by the gradual expansion of formal law and public authority rather than by the accumulation of social capital.[6] Today, specialized state agencies, rather than tight-knit communities, monitor opportunistic behavior and curb free riding in collective action dilemmas. Individuals contribute to public goods by paying taxes. The state, not civil society, is in charge of enforcing fiscal rules.

In their quest for homogeneity at the end of WWII, European policymakers ended up creating a new problem – millions of uprooted people. "Resented and resentful, they crowd in on the overcrowded, always wanting to 'go home' and thus a constant stimulus to the 'irredentism' that has caused so many wars," read a *New York Times* description of West Germany in 1951. The fact that Poles and Germans were "repatriated" into their home states and settled next to their purported coethnics did not prevent conflict in the receiving communities or settle questions of nationality once and for all (Kossert 2008; Zaremba 2012). The challenge of housing and feeding these dispossessed and dispirited individuals strained the capabilities of already weak postwar governments. In West Germany, some openly argued that "only the death or emigration of 20 million" people could alleviate food shortages (Lemberg 1959, 31).

Contemporary political discourse about refugees and internally displaced persons echoes these sentiments. Forced migration is considered a developmental challenge. The recent influx of refugees, particularly from the Middle East, has given rise to xenophobic sentiment among Europeans who perceive the newcomers as a security threat and economic burden (Esipova, Ray, and Pugliese 2020). Across Europe, anti-immigration, populist parties have risen

[4] See, for example, Alesina and Ferrara (2002); Banerjee, Iyer, and Somanathan (2005); Putnam (2007); Habyarimana et al. (2009); Dinesen and Sønderskov (2015); Algan, Hémet, and Laitin (2016).

[5] See, for example, Williamson (1979); Knight (1998); Lazzarini, Miller, and Zenger (2004); Cook, Hardin, and Levi (2005); Stagnaro, Arechar, and Rand (2017).

[6] See North (1990); Greif (1993); Ogilvie and Carus (2014); Dincecco (2017).

to power by exploiting fears that forced and voluntary migrants will pose a burden on the welfare system and fail to assimilate (Dinas and Fouka 2018; Hangartner et al. 2019). These fears are not entirely unfounded: A large refugee inflow has been shown to reduce wages and increase unemployment among the native population in some contexts (Calderón-Mejía and Ibáñez 2016; Morales 2018).[7] Scholars further find that immigration-based diversity reduces support for redistributive policies (Burgoon, Koster, and van Egmond 2012; Alesina, Murard, and Rapoport 2021).

But for how long do these negative effects persist? Our knowledge of the consequences of large-scale uprooting is based predominantly on evidence from the last couple of decades, when most of the current refugees resettled. Scholars generally investigate the immediate electoral or labor market consequences of refugee inflows. They draw conclusions from observing migrant–native interactions at the height of the distributional conflict, when communities are still adjusting to the sudden demographic changes produced by internal and cross-border population movements.

While ongoing refugee crises are easier to study and generate more headlines, they limit the kinds of questions we can answer. As a result, the conclusions we can draw from these recent migration episodes may be provisional and incomplete. In fact, the consequences of migration typically unfold over a long time horizon, changing in magnitude and direction over time (Charnysh 2023). For instance, opposition to redistribution and intolerance among the receiving population generally declines as the natives become more accustomed to cultural diversity and as migrants assimilate (Christ et al. 2014; Ramos et al. 2019). Migrants' participation in politics and the labor market changes after they stay in the country long enough to naturalize and learn the language. The receiving economies recalibrate, adjusting to the expansion of the population and labor force over time. Migrants' children face lower adaptation barriers and typically achieve greater economic well-being than the migrants themselves. On a grander scale, large-scale population movements can alter the trajectory of socioeconomic development altogether – by changing how states and societies interact. Adopting a longer time horizon is thus necessary to gain a more comprehensive and accurate evaluation of the impact of forced migration on social and economic outcomes.

This book urges scholars to rethink both the benefits of ethnic homogeneity and the costs of hosting refugees. It shows that forced migration, a traumatic event, can strengthen states and benefit local economies in the long run by increasing social heterogeneity at the subnational level.

[7] However, a meta-analysis of fifty-nine empirical studies in economics concludes that most results on employment and wages are nonsignificant (Verme and Schuettler 2020).

THE ARGUMENT

To gain a better understanding of the prospects of postmigration societies, I propose to trace their trajectory of social and economic development over a longer timeframe. To that end, I study the impact of mass displacement at a critical juncture – "time zero," the period of fundamental institutional and social transformation in Poland and West Germany in the 1940s – on outcomes measured at various points in time up to the present. I ask not only how migrants and natives learned to live together in their shared communities in the immediate postwar period, but also whether and how postwar migration matters for state–society relations and economic performance in these communities generations later.

Migration and Social Cohesion

I argue that forced migration can create new social cleavages based on migration status and place of origin. This is the case even when the displaced population belongs to the same ethnic group as the native population. To develop this insight, I build on theoretical perspectives that emphasize the role of boundaries in the creation and dissolution of social groups (Barth 1969; Lamont and Molnár 2002; Wimmer 2013). This view privileges "self-ascription and the ascription of others" over "objective cultural traits" and emphasizes the role of contact in defining contrasting group identities (Barth 1969, 15). It does not treat ethnic groups as automatically endowed with distinct cultures, dense network ties, or ingroup solidarity (Wimmer 2013, 22). The adoption of a boundary-making perspective enables me to analyze the processes of group formation in a given setting without assuming that they will follow ethnic lines.

Mass uprooting creates new boundaries via two related processes. One is the accentuation of differences between individuals originating in different regions or countries through intergroup interaction and physical proximity. Most cultural traits, such as language, dialect, religion, dress, customs, and the strength of national attachment, vary across space. Cultural distance may be larger between individuals from different countries of origin, but it also exists between individuals from different regions of the same country as a function of historical, economic, or geographic factors (Kaasa, Vadi, and Varblane 2014). Geographic variability, in particular, has been linked to the production of location-specific human capital that can give rise to ethnolinguistic cleavages (Michaloupoulos 2012). As people from one region move to another, they stand out more starkly from the local population.

Another process leading to the creation of new boundaries is exposure to forced displacement itself. The sudden inflow of migrants, regardless of their ethnicity and cultural traits, is likely to provoke the native population to close its ranks. The larger the demographic shock, the greater the incentives for the

locals to mobilize around their native status to protect their access to land, housing, and jobs. This is the dynamic highlighted by the literature on the "sons-of-the-soil" conflicts, conventionally understood as conflicts between members of a native ethnic group and recent immigrants from other ethnic groups within the same country (Fearon and Laitin 2011). Yet, as I show in this book, conflict between native and migrant populations need not follow ethnic lines.

At the same time, the experience of forced displacement is bound to generate mutual solidarity among the uprooted. Studies have shown that shared suffering produces a sense of common fate (Drury 2018) and "a pervasive and intense feeling of social interconnectedness in which people are aware of a common predicament and a common interest" (Baehr 2005, 182, 188). This shared group identity not only fosters cooperation among individuals who share the experience of displacement but also separates them from others.

Once the boundaries are in place, their salience will vary with the extent of competition over resources in receiving communities and with the way formal institutions regulate this competition. As argued by Dancygier (2010), the relationship between migrants and natives is more antagonistic in conditions of economic scarcity and when the state, rather than the market, allocates scarce resources. Relatedly, as highlighted by Schwartz (2019), migration-based identities increase in importance when access to state resources is tied to migration status. More generally, scholars have shown that boundaries between ingroups and outgroups harden when group membership enables the acquisition of material goods (Bates 1974; Caselli and Coleman 2012; Pengl, Roessler, and Rueda 2021). Paradoxically, this means that sharing nationality can actually increase intergroup tensions in the aftermath of forced displacement because it places migrants and natives in direct competition for state-provided resources, a competition that is less acute when migrants lack access to full citizenship rights.

Migration-based cleavages will have important implications for cooperation in affected communities. I expect them to operate in ways similar to ethnic cleavages, that is, to increase conflict and reduce investment in collective goods. Multiple studies have shown that salient group boundaries – regardless of whether they are based on ethnicity, language, religion, or region of origin – reduce agreement over which public goods should be provided and lower an individual's willingness to make sacrifices for the well-being of others.[8] Baldwin and Huber (2010) further demonstrate that the provision of public goods suffers when group boundaries overlap with economic status.

I expect forced migrants, voluntary migrants, and natives to have different economic and cultural needs. For instance, the loss of property and disruption of family networks may increase forced migrants' dependence on social

[8] See, for example, Habyarimana et al. (2009); Freier, Geys, and Holm (2013); Lieberman and McClendon (2013); Singh (2015); Rueda (2018); Enos and Gidron (2016).

welfare, relative to other groups. Migrants and natives often live in different neighborhoods and therefore disagree over how public goods should be allocated across space. Cultural differences may lead to disagreement over the content of school curricula, as each group prefers its language and history to be taught. These differences in preferences increase transaction costs associated with collaborative efforts. They may also reduce contributions to collective goods from which the other group cannot be easily excluded.

Migration and State Capacity

Counter to the existing literature, I propose that mass displacement can actually *strengthen* state capacity. It does so precisely by creating new societal divisions and undermining the displaced individuals' ability to provide for themselves. State capacity is commonly understood as the ability of a state to perform its core functions, including the maintenance of internal order, the extraction of revenue, and the provision of basic services (Hanson and Sigman 2020). Scholars sometimes distinguish between infrastructural power, defined as the capacity "to actually penetrate civil society and to implement logistically political decisions throughout the realm," and despotic power, defined as "a range of actions which the elite is empowered to undertake without routine, institutionalized negotiation with civil society" (Mann 1984, 188–189). Discussion in this book pertains primarily to infrastructural power.

The expansion of infrastructural power constitutes a significant intervention into social life. It is bound to provoke resistance from different societal actors. Strong societies may resist third-party attempts to impose control because they have already developed effective social organizations for service provision (Migdal 1988) and do not want to bear the burden of taxation (Scott 1977; Bodea and LeBas 2016). Another source of resistance to the expansion of state infrastructural power comes from local and national elites. Elites may oppose the expansion of state capacity because it undermines their autonomy and curtails rent-seeking opportunities (Garfias 2018) or because it can be used to redistribute wealth in the future (Suryanarayan 2016; Hollenbach and Silva 2019). As Slater (2010, 11) argues, it is extremely challenging for rulers who seek to strengthen the state to "bring a wide range of elites into supportive relations with their regime, and prevent them from playing oppositional roles."

I argue that forced displacement can reduce these societal barriers to the expansion of state authority. First, communities formed by uprooted individuals from different places of origin are less successful at self-organizing. They lack effective collective action mechanisms to oppose state intervention and, at the same time, have more to gain from the expansion of state authority. As a result, the demand for state-provided public and private goods in such communities will be higher, relative to communities that are more cohesive and

self-sufficient.[9] Second, individuals who are uprooted from their communities and lose their belongings have fewer outside options and are thus more likely to turn to the state and other formal organizations for credit, insurance, and welfare. Third, displacement deprives communal elites, who would otherwise oppose the expansion of state infrastructural power, of economic and organizational resources to do so. As a result, these elites may become more willing to endorse – or less able to resist – state-building projects in their communities.

Forced displacement thus creates a window of opportunity for strengthening the state by reducing resistance to revenue extraction and shoring up societal demand for state-provided public goods. The more resources a government can allocate to satisfy the increased demand for its services, the stronger the ties that develop between the migrant population and the incumbent regime. Even small initial investments in the expansion of state provision can go a long way: Positive experiences with the state increase future compliance with state policies. Furthermore, the transfer of state resources makes the recipients more legible: The information that the state acquires in the process may facilitate tax collection in subsequent periods.

It is not guaranteed that the governing elites will recognize the opportunity to expand state capabilities in the aftermath of displacement and step in to assist the uprooted communities. Elite disagreements over the desired size and the scope of the state are extremely common and have been shown to impede the accumulation of infrastructural capacity across different historical periods and geographic regions (e.g., Slater 2010; Soifer 2015; Beramendi and Rogers 2018; Wang 2022).

Investments in future capacity are more likely when the displacement is perceived as permanent and when the uprooted population has citizenship rights and is entitled to make claims on the state. I further expect the governing elites to be more supportive of mobilizing state resources to invest in integrating the uprooted population in the presence of internal or external threats. Elites may unite to bolster the state's power when they fear the outbreaks of contentious politics and perceive the provision of state services as an effective approach to containing social unrest (Slater 2010; Tajima 2014; Distelhorst and Hou 2017). Elites may also support investment in state capacity when they face the threat of territorial conquest or externally supported secession (Wimmer 2012; Darden and Mylonas 2016). Mass displacement often aggravates these threats by provoking intergroup competition over scarce resources and raising the risk of civil and international conflict (Salehyan and Gleditsch 2006; Salehyan 2008; Rüegger 2019).

[9] Arjona (2016) uses similar logic to explain variation in rebel governance in Colombia. She shows that armed groups are more likely to create governments that collect taxes, provide mechanisms for settling disputes, enforce laws, and deliver public services in places where prior local institutions are of low quality.

Migration and Economic Development

I further argue that the mixing of people from different places of origin may foster private entrepreneurship and produce superior economic outcomes in the long run. Several related mechanisms contribute to this outcome. One is the greater reach of state institutions and increased supply of centrally provided public goods, which have been shown to increase the returns to productive economic activity and to lower the costs of economic exchange (North 1990; Besley and Persson 2014; Dincecco 2017). While many public goods can be provided endogenously through informal norms and networks, this solution is only "second-best." Informal norms and networks limit the gains from occupational specialization and economies of scale, and may also lower competition and segment markets (Fafchamps 2004; Robinson 2016).

Importantly, the accumulation of state capacity advances private economic activity only in states with "good" formal institutions. Such states are variously categorized as inclusive, common-interest, or open-access because they protect property rights and allow all citizens to use their skills and talents (North, Wallis, and Weingast 2006; Acemoglu and Robinson 2012; Besley and Persson 2014). Institutions matter because they regulate transaction costs and enforce cooperative behavior. Sustained economic growth is more likely when formal institutions encourage broad societal participation in economic activity by protecting property rights, enforcing contracts, and providing market-supporting public goods to all citizens (Acemoglu and Robinson 2012, 144). The alternative is extractive or limited-access institutions that benefit only some segments of society (such as the economic or political elites or the dominant ethnic group). Such institutions fail to protect property rights, create barriers to entry into specific occupations or industries, and reduce opportunities for entrepreneurship and human capital accumulation. An increase in the capacity of a state with extractive institutions lowers the returns to productive economic activity by raising the risk of expropriation and/or excessive taxation.

Another mechanism that leads from migration to superior economic outcomes is the diversity of skills and perspectives that migrants bring. People who have lived in different environments and were educated in different school systems can work together in a way that enhances their collective productivity. Correspondingly, researchers have found that the diversity of the immigrant population increases entrepreneurship, stimulates innovation, and generates economic prosperity (Peri 2012; Brunow, Trax, and Suedekum 2012; Alesina, Harnoss, and Rapoport 2016; Docquier et al. 2020). In contrast to existing work, which focuses on international migration and short-term outcomes, I examine the implications of diversity produced by migration within (historic) borders of the same country and extend my analysis to second- and third-generation migrants. I expect the benefits of a diverse workforce to pay off only in states with inclusive

institutions, which enable all individuals to apply their skills and facilitate cooperation between people from different cultures by enforcing the rule of law (Acemoglu and Robinson 2012, 144).

To summarize, mass displacement creates new cleavages by rearranging the population in space and increasing competition for local resources. Migration-based cleavages operate in ways similar to ethnic cleavages, by increasing tensions and reducing cooperation for the provision of collective goods. At the same time, by weakening cooperation between individuals in the affected communities and undercutting resistance to state control, mass population movements can shore up the role of formal state institutions in the provision of public goods. An important scope condition for this first part of the argument is that the governing elites have sufficient resources and incentives to expand infrastructural power.

Higher state capacity, in turn, creates greater opportunities for predictable and enforceable arm's-length transactions and facilitates private economic activity. Migration and diversity may also increase economic productivity by diversifying skills, increasing competition, and encouraging occupational changes and entrepreneurship. Counterintuitively, mass uprooting in the aftermath of a destructive conflict can advance economic development in the long run. This second part of the argument requires that formal state institutions be inclusive; namely, that they protect private property rights and enforce contracts of all citizens.

STUDYING THE EFFECTS OF DISPLACEMENT WITHIN AND ACROSS COUNTRIES

I support my argument with qualitative and quantitative evidence from Polish and German communities affected by postwar migration movements. I focus on subnational variation *within* each country to maximize internal validity. The combination of original micro-level data and quasi-experimental research designs enables me to measure key concepts more precisely as well as to estimate the causal effects of receiving migrants from different places of origin, thereby enhancing the reliability and accuracy of the findings.

The Polish case amounts to a natural experiment that produced new migrant communities in an area previously governed by Germany. The prewar German residents were expelled en masse, and both their place and property were taken over by forced and voluntary migrants from different regions. The structure of transportation networks, the duration of travel, and the availability of vacant housing at the time of arrival determined the composition of the migrant population in a given settlement. The nature of the resettlement process allows me to compare communities that vary in the composition of migrant population but share the experience of uprooting and of living in former German settlements. Importantly, in these analyses, I am able to hold constant the nature of national political and economic institutions as well as the starting levels of state

capacity. Analysis *within* Poland also enables me to compare communities located on the opposite sides of the now-defunct pre-WWII border between Poland and Germany. Such communities differed in their migration histories but faced similar institutional environments and policies after the war.

The German case offers variation in the share of expellees to population, in addition to the heterogeneity in expellee origins. Expellees were assigned to specific communities based on the availability of housing, which itself was influenced by the level of wartime destruction and prewar population density. Ultimately, it was the timing of expulsions, the distance expellees had to cover, and arbitrary decisions of the occupation authorities that shaped the mix of expellees assigned to a specific community. As I show in the book's empirical chapters, the composition of the displaced population was unrelated to the socioeconomic characteristics of the receiving localities. This feature of the West German case allows me to estimate the causal effects of both the presence and diversity of expellees.

An additional benefit of within-country analysis is the opportunity to construct measures for evaluating intergroup cooperation, state capacity, and private economic activity that hold greater validity and are context-appropriate. For these key outcomes, comparing social and economic indicators in Poland and West Germany directly would be misleading because of the numerous differences in these countries' economic and political systems. By carefully selecting measures that align with the specific institutional context and historical period, I enhance the internal validity of the analysis and bolster the credibility of my conclusions.

Evaluating the argument requires explaining variation in social and economic outcomes across both time and space. Specifically, I need to account for the local-level variation in the provision of public and private goods and in state capacity across migrant communities as well as for the changes in economic performance over time. These objectives place demands on the kinds of evidence I use. Statistical evidence is most suitable for evaluating the short- and long-term economic effects of forced migration on the receiving communities. Narrative sources, instead, are more important for understanding how migration creates new group boundaries and undermines cooperation for the provision of collective goods.

Accordingly, I use a mixed-methods approach. My qualitative evidence comes from archival sources, memoirs, newspapers, and secondary literature in Polish and German, which I collected over fifteen months of field research. My quantitative analysis draws on four original datasets. For the analysis of the effects of mass migration in Poland, I collected and georeferenced original data for over a thousand historical municipalities (*Gmina*) from the unpublished Polish and German censuses, preserved on microfilm, as well as from historical maps and statistical yearbooks. In addition, I complemented these sources with village-level data on the population composition in Upper Silesia compiled by other scholars based on property documents (Dworzak and

TABLE 1.1 *Differences between cases and empirical implications.*

Difference	Western and northern Poland	West Germany	Relevant outcomes and mechanisms
Native population	Mostly absent	Present, in majority	The capacity for self-help collective action, the demand for state-provided collective goods
Economic institutions	Extractive (1947–1989) Inclusive (1989–present)	Inclusive	Incentives for private economic activity
Political institutions	Extractive (1947–1989) Inclusive (1989–present)	Inclusive	State responsiveness to citizens' demands
Starting levels of state capacity	Low	Medium	State ability to provide collective goods

Goc 2011). For the analysis of forced migration in West Germany, I compiled an original dataset at the commune level (*Gemeinde*) for the states of Bavaria and Schleswig-Holstein, using census material from 1939, 1946, 1950, 1961, 1970, and 1987. I also incorporated and extended two county-level (*Kreise*) datasets created by others (Schmitt, Rattinger, and Oberndörfer 1994; Braun and Franke 2021).

In addition to validating causal claims about each case of mass displacement using subnational analysis, this book compares outcomes between Poland and West Germany. Cross-national comparisons are helpful to assess the generalizability of the argument. If forced migration can be shown to have comparable consequences in both a socialist autocracy and a free-market democracy, in the context of a nearly complete population turnover and in the context where the displaced population is allocated into settled communities with intact social structures, then we can have greater certainty that the argument applies to a wider range of real-world situations. Conversely, if empirical patterns diverge across cases, then we can learn more about the background conditions under which the argument holds. I summarize the key differences between cases in Table 1.1.

One important difference between the two cases is the presence of the native population. Polish migrants typically settled in villages emptied of their original inhabitants, in a region where Polish society did not exist before the war. They started out in an institutional vacuum and had to come together to form

self-defense units and fire brigades, rebuild schools and churches, and establish new norms and customs, overcoming mutual distrust. By contrast, German expellees were allocated to tight-knit communities where formal and informal institutions remained largely intact. The native residents outnumbered the expellees five to one. Native elites preserved their assets and influence. Most communal institutions survived the war and associational activity resumed several years before the establishment of state and federal governments. Therefore, I expect to see lower capacity for self-help collective action and greater demand for state-provided collective goods in Poland's newly acquired territories, where eight out of ten residents were migrants, than in West Germany, where four out of five residents were natives. In both cases, I expect the demand for state resources to be higher among the uprooted population than among the native population.

As far as formal institutions are concerned, postwar Poland and West Germany could not be more different. From 1947 to 1989, Poland was a communist autocracy with repressive secret police. Only the communist party and its satellites competed in elections, and the results were predetermined. The communist government sought to establish a socialist economy by nationalizing most of the industrial sector and pursued (but eventually abandoned) forced collectivization of agriculture. Although the government provided a broad range of social services, private economic activity was restricted, overtaxed, and at risk of expropriation. In other words, Poland's political and economic institutions from 1947 to 1989 were extractive, as the state limited societal participation in the economy and political power rested with the communist party. Conversely, West Germany became a multiparty democracy. Regular elections enabled the expellees and natives to organize and express their preferences for state-provided public goods and welfare through voting. The economic reforms of the Adenauer-Erhard administration established the institutions of a social market economy. Private entrepreneurship was encouraged; private property was protected, and state intervention was limited to the provision of social welfare and public services. West Germany thus enjoyed a combination of inclusive economic and political institutions, allowing its citizens a broad range of political and economic opportunities. The two political and economic systems began to converge only in the 1990s, as Poland democratized and transitioned to a market economy.

The differences in formal economic institutions between Poland and West Germany are central to my theory about the conditional effects of forced displacement on economic development. I argue that receiving migrants from different places of origin is more likely to benefit local economies under inclusive economic institutions, which incentivize productive economic activity and allow migrants to participate in the economy on equal terms with the native population. Under extractive institutions, the economic potential of migration is squandered as aspiring entrepreneurs are discouraged from pursuing economic initiatives. For these reasons, we should observe a positive

relationship between the diversity of migrants and private entrepreneurship in West Germany but not in Poland in the pre-1989 period.

The variation in political institutions, on the other hand, may have influenced each state's responsiveness to the demand for collective and private goods in the aftermath of displacement. Scholars have shown that resource allocation in autocracies and democracies follows different logics, even though both regimes respond to pressure from below. Autocratic governments are concerned about managing social stability and appeasing their core supporters (Chen, Pan, and Xu 2016; Distelhorst and Hou 2017; Knutsen and Rasmussen 2018). Democratic governments are concerned about reelection; they are accountable to multiple constituencies and face greater institutional constraints (Tsebelis 1995; Powell 2000; Cleary 2007). We should be mindful of these distinctions when seeking to understand postwar state-building processes in Poland and West Germany. In line with existing literature, I expect the allocation of state resources in the newly acquired Polish provinces to reflect the priorities of the governing elites, which may or may not correspond to the needs of the migrant population. Conversely, the West German authorities may be more responsive to expellee demands, particularly in areas where the expellees are well organized and outnumber the native population. At the same time, I expect the West German government to be more constrained in the implementation of pro-expellee policies than the Polish government, which enjoyed a monopoly of power between 1947 and 1989 and thus had greater leeway in deciding how to allocate state resources.

Finally, the two cases differ in terms of their starting levels of state capacity. Postwar Poland started out as an extremely weak state. State organizations were gutted during the Nazi and Soviet occupations, and the establishment of civil administration was hampered by the interference of the Red Army and the ongoing civil war between the pro-Soviet government and the anticommunist underground. The state's ability to provide basic public goods was limited, particularly in the newly acquired territories, where it arrived relatively late. Poland thus presents a particularly hard test for the argument that mass displacement can strengthen states and economies over time. The state was much stronger in postwar West Germany, notwithstanding its complete military defeat and its territorial fragmentation under the occupation. State organizations were reinvented rather than rebuilt from scratch. Postwar recovery and reconstruction further benefited from the inflow of foreign aid under the Marshall Plan. Accordingly, the West German government was much more capable of providing collective goods and containing violence between expellees and the disgruntled native population.

SUMMARY OF KEY FINDINGS

Let us now revisit the questions posed at the beginning of the chapter. First, how did the uprooted populations form ties to their communities? Did

increased ethnic homogeneity reduce conflict and strengthen social solidarity? I find the opposite: Population transfers were followed by processes of cultural differentiation in both Poland and West Germany. Cultural markers, such as religious denomination or dialect, all contributed to the salience of new group boundaries, but what ultimately mattered most was opposing economic interests. Thus, the migrant–native cleavage was much more salient than cleavages between migrant groups from different regions of origin.

Using memoirs of migrants settled in Poland's newly acquired territories, I show that the fiction of shared Polish nationhood broke down once migrants came together in the newly acquired territories. If one were to go by the terminology settlers used in daily life, she would conclude that the region was populated not only by Poles but also by Germans, Ukrainians, Russians, and other ethnic groups. Minor cultural differences were amplified, leading to the formation of new group boundaries. Forced migrants were united by their collective experience of displacement, forming a separate identity from the native population and voluntary migrants alike. The native population turned inward in response to migrants' hostility and discrimination. Uprooted communities initially struggled to provide basic collective goods, because migrants coming from different regions viewed each other with suspicion and distrust. Accordingly, I show that villages that were populated by the native population, or by migrants originating from the same region, were more likely to have a volunteer fire brigade than villages populated by a heterogeneous migrant population. Mass migration therefore created new cleavages that reduced collective action capacity in the newly formed communities.

Similarly, in West Germany, the arrival of expellees led to the rise of nativist sentiments and the tightening of fiscal policy in receiving communities. Although "Germanness" was a key reason for their uprooting, the natives viewed expellees as foreigners, associating them with the population of the regions they had left. Expellees were framed as Poles, Russians, or Gypsies. Previously minor cultural differences became salient markers in the competition for scarce resources. The native population sought to exclude the expellees from preexisting voluntary associations and circumvent the laws on expellee assistance. In response to the hostile reception in their new settlements, many expellees themselves disavowed German identity and organized around their migration status and regional origins.

Second, how did the influx of millions of displaced individuals affect the receiving states' ability to govern? Counterintuitively, I find that dealing with a sudden inflow of migrants shored up the role of the state in the provision of collective goods and increased state capacity in the long run. In Poland's newly acquired territory, a near-complete turnover of the population facilitated state building by creating the demand for state-provided resources and undermining resistance to state authority. By the 1950s, the communist state accumulated higher administrative capacity and assumed a bigger role in the economy in the newly acquired territory than was the case in the parts of the country with

a longer history of Polish control. Within the resettled region, counties that received a more heterogeneous migrant population came to have more state bureaucrats per capita than counties that received a more homogeneous population. In this region, moreover, the state was able to marginalize the Catholic Church, its main competitor for the hearts and minds of Polish migrants. The expansion of state infrastructural power was facilitated by the decimation of economic and political elites during WWII and ideological cohesion among the remaining elites, who supported state building in the formerly German territory.

In West Germany, on the other hand, the governing elites faced greater resistance from the native population, which did not experience uprooting. At the same time, once expellees overcame their differences and organized, they were able to exert considerable influence on government policy through electoral and extraparliamentary channels, which prompted large-scale state intervention on their behalf. In the 1940s, the expellees disproportionately endorsed the Social Democrats, in line with their preferences for a more active and redistributive state policy. They subsequently formed their own party, the Bloc of Expellees, and occupied key positions in the expellee ministries, which allowed them to directly influence state policy. The mobilization of administrative and fiscal resources in response to expellee pressure ultimately led to the expansion of state infrastructural power. New governmental agencies were set up to mediate conflicts between expellees and the native population and to compensate expellees for their financial losses. However, in seeking to integrate expellees, state and federal government officials also had to contend with entrenched local elites and insubordinate local governments, which constrained their policy.

It stands to reason that the increase in state capacity in the aftermath of mass displacement requires that the receiving state has sufficient baseline capacity to govern. However, my analysis indicates that the initial level of state capacity does not necessarily have to be high. Postwar Poland, in particular, started out as an extremely weak state, but accumulated considerable infrastructural power in a short period of time because the state did not have to compete for influence with strong societal organizations.[10]

Finally, what were the short- and long-run economic consequences of mass displacement? I find that receiving large numbers of forced migrants strained local resources in the short run, in line with other research. One to two generations later, however, communities that received a larger and more heterogeneous migrant population not only rebounded to their original levels of development but also economically outperformed communities with a smaller or more homogeneous migrant population. With an important caveat: The benefits of migration-based diversity appeared only under inclusive formal

[10] As Boone (2003) argues, states can offer fewer goods and services to gain access when societal actors are weak than when they are strong. Migdal (1989) similarly argues that the weakening of society's strategies of survival can help the state to gain social control and enforce its rules.

institutions. During the communist period in Poland, there were no significant differences in levels of wealth and private economic activity between communities settled by homogeneous and by heterogeneous migrants. However, following the transition to a market economy, communities settled by a more heterogeneous migrant population achieved higher rates of private entrepreneurship and income levels than communities that were more homogeneous. Significantly, the descendants of postwar migrants today are generally wealthier and better educated than their counterparts who still inhabit the regions that forced and voluntary migrants had left after the war.

In West Germany, which started out with inclusive economic institutions, the economic benefits of migration and cultural diversity appeared sooner. The localities that had received larger and more heterogeneous expellee populations outpaced those localities that had received fewer expellees and/or expellee populations that were more homogeneous by the 1980s. The size and diversity of the expellee population at the county level predicted higher entrepreneurship rates and education levels. In the 2000s, higher-inflow areas recorded higher incomes as well as more enterprises per capita in the professional, scientific, and technical sectors.

Altogether, my analysis of the impact of population transfers indicates that although mass migration engenders new societal divisions, it can also facilitate state building and generate superior economic outcomes in the long run. Both the size and the composition of the migrant population matter for economic performance in receiving communities. The divergence in short- and long-term economic outcomes also suggests that it is crucial to adopt a longer temporal framework in order to fully understand migration's impact.

In developing these insights, the book advances our understanding of the impacts of forced migration and enriches our knowledge of post-WWII population transfers. It makes four distinct contributions.

First, I challenge the dominant view that forced migration and resulting heterogeneity are detrimental to the institutional development and economic performance of receiving societies. I show, on the contrary, that the effects of displacement and cultural divisions vary in direction and magnitude over time and are also conditional on the nature of state institutions. Notwithstanding important short-term costs, the choice to accommodate refugees provides states with an opportunity to strengthen their institutions and improve economic performance. Furthermore, the more diverse the incoming population is, the greater the economic benefits for the receiving communities. It should be noted, however, that it is only in states with inclusive formal institutions that new skills and knowledge brought by refugees from different places of origin translate into economic payoffs. In developing this conclusion, I contribute to the growing literature on the mediating role of political and economic institutions in the relationship between ethnic heterogeneity and economic performance (Easterly 2001; Miguel 2004; Weldon 2006; Gao 2016).

My findings on the beneficial economic effects of forced migration and resulting diversity resonate with conclusions of recent work on the positive economic effects of voluntary immigrants from diverse countries of origin.[11] But refugees are not just another group of immigrants. They leave home against their will, lose most of their assets, and experience violence and discrimination. They end up in suboptimal locations where their occupational skills are less useful and where they lack social networks, which may slow down their economic and social integration into a host society. Given these additional costs of forced migration, it is remarkable that mass displacement in Poland and West Germany produced beneficial long-run effects on economic activity, incomes, and education levels.

Second, the book shows that migration-based cleavages do not simply lower the provision of public goods. Instead, they change the dominant *mode* of public goods provision: They shore up the importance of formal state institutions and reduce the role of informal networks. In doing so, the book corrects the perception that social capital is unambiguously favorable for economic performance and democratic governance (e.g., Putnam, Leonardi, and Nanetti 1993; Putnam 2007). While shared norms and networks may play a vital role when state institutions are absent or dysfunctional, they provide a poor substitute for formal institutions in developed market economies, such as post-1989 Poland and West Germany. Indeed, high levels of group-specific social capital can be detrimental: In West Germany, tight-knit native communities in the countryside were more likely to discriminate against expellees and deny them access to jobs and housing than larger, more loosely organized urban communities.

Third, the book contributes to research on state building by highlighting a novel theoretical mechanism through which wars can strengthen states. Whereas the canonical bellicist accounts emphasize that wars contribute to state building by incentivizing tax collection (Tilly 1990), the book shows that mass displacement in the aftermath of conflicts provides additional opportunities to strengthen the state. It highlights a mechanism that state capacity literature rarely considers: the increased demand for state presence that stems from the rupture of communal ties and the mixing of people from different places of origin.

Fourth, the book offers new empirical knowledge on postwar displacement in Europe, which has received little attention from social scientists until recently. Most studies on postwar migration have used cross-country comparisons and have treated refugees as internally homogeneous populations (Curp 2006; Douglas 2012; Urbatsch 2017). Through extensive fieldwork and archival research, I am able to explore the effects of forced migration at a much more granular level and over a longer timeframe than was previously

[11] See, for example, Rodríguez-Pose and von Berlepsch (2014); Ortega and Peri (2014); Alesina, Harnoss, and Rapoport (2016); Bove and Elia (2017); Sequeira, Nunn, and Qian (2020).

possible. More specifically, I depart from previous studies, which set their gaze at the level of county and region, by studying the community – a much smaller administrative unit. This was made possible by the careful compilation of historical data on the origins of migrants at the community level, whether *Gminy* in Poland or *Gemeinde* in Germany.

At this level of analysis, the assumption of homogeneity adopted by earlier research no longer holds. Instead, I find that rearranging people in space created new cleavages – based on migration status and place of origin – with enduring consequences for long-term political and economic development. If shared identity motivated the decision of policymakers to uproot millions of Germans and Poles after the change of international borders, their resettlement created new cleavages and conflicts that proved detrimental to communal cooperation and political stability in the short run. The ethnic homogeneity of contemporary Poland and Germany is thus a product of active state- and nation-building policies adopted by each country's government in response to the need to integrate populations that had been affected by the redrawing of borders and by population transfers.

WHERE THE ARGUMENT APPLIES

As shown in Figure 1.1, large-scale displacement of population has been historically common and remains front and center today. The dissolution of multiethnic states and empires dislocated millions; wars, famines, and natural disasters wrought displacement on an even greater scale.

The cases of forced migration can be arranged along a continuum of citizenship rights, from full citizenship to statelessness. My argument about the positive effects of migration and diversity on state capacity and economic development fits best in cases where the uprooted population enjoys full citizenship rights. Some of the largest instances of forced migration in the last century fit this description. Such cases include the exchange of some 1.5 million people between Greece and Turkey in 1919–1922, the uprooting of some 17.9 million people during the Partition of India and Pakistan in 1947–51, and the return migration of five to seven million Europeans during the independence wars in former colonies. I review evidence from these cases in the concluding chapter. Furthermore, the majority (60 percent) of forced migrants today are displaced within their own home countries and retain citizenship rights. In cases where internal displacement is permanent, we should observe similar dynamics to those in postwar Poland and Germany.

When refugees have no citizenship rights, their sudden inflow may still motivate the receiving states to mobilize resources in order to avoid political instability. As evident from the West German case, the governing elites supported the allocation of resources toward expellee needs not only because expellees could influence electoral outcomes but also because they perceived the expellees as a potentially dangerous group. However, when the receiving

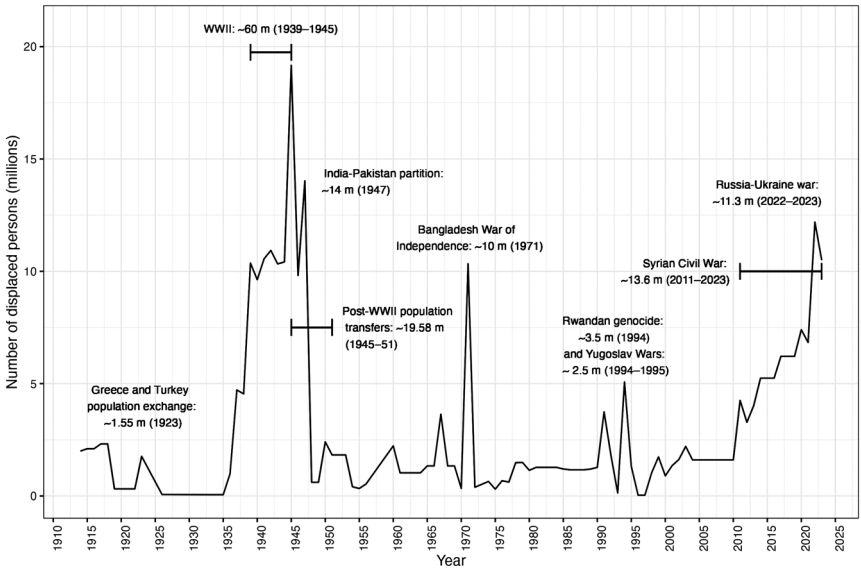


FIGURE 1.1 Major episodes of forced displacement between 1900 and 2023. The graph includes episodes that affected at least 500,000 people and occurred between 1900 and 2023. For multiyear conflicts, the number of displaced persons is averaged across conflict years. The full list of displacement episodes is presented in Table A.1.

governments rely exclusively on international aid and NGOs to accommodate refugees, the expansion of state infrastructural power is unlikely.

The analysis in this book also tells us something about the economic consequences of voluntary migration. Voluntary migrants differ from forced migrants in that they have far more agency in deciding when and where to move and arrive with greater social and economic resources. They are thus less likely to make claims on the receiving states, even if they obtain citizenship. Nonetheless, large-scale immigration may also erode communal solidarity and reduce investment in the provision of collective goods by the native population. Furthermore, cultural diversity that results from large-scale voluntary immigration also increases economic productivity in receiving economies, as recent work has demonstrated (e.g., Brunow, Trax, and Suedekum 2012; Peri 2012; Alesina, Harnoss, and Rapoport 2016; Docquier et al. 2020). This beneficial effect of immigration is more likely in states with inclusive economic institutions.

ORGANIZATION OF THE BOOK

I begin the book with a historical account of how border changes and migration in the aftermath of WWII reshaped the ethnic landscape in Poland and Germany. **Chapter 2** discusses when and how decisions were made to uproot

millions of Germans and Poles; provides background on the characteristics of the affected populations; and describes the resettlement process. I emphasize three points in this account. First, the population groups that were displaced after the war were extremely heterogeneous; the policymakers' assumption of singular ethnic attachments did not reflect the actual complexity and ambiguity of group identification on the ground. Second, the vast majority of migrants did not select into migration; their relocation was prompted by the revision of borders and/or exposure to violence and repression. Third, the allocation of migrants to specific settlements was shaped by the availability of housing at the time of the migrants' arrival, which, in turn, depended on the timing of the expulsions and the length of the journey from each place of origin. As a result, the mix of migrants in each receiving locality was uncorrelated with its socioeconomic characteristics.

The policymakers who sanctioned the population transfers sought to create homogeneous states by concentrating all Germans in Germany and all Poles in Poland. They believed that slotting Poles and Germans into their own states would reduce ethnic conflict. In Part II of the book, I instead show that by rearranging ethnically homogeneous populations in space, population transfers created new intergroup divisions. These new boundaries – based on migration status and regional origin – undermined the provision of collective goods at the community level.

In **Chapter 3**, I draw on migrants' memoirs and archival sources to trace the process of boundary-making in the newly formed communities in the territory Poland acquired from Germany. I find that common nationality did not prevent cultural differentiation between the native population, forced migrants from eastern borderlands, and voluntary migrants from Poland and abroad. The native–migrant cleavage was particularly salient, given the conflicting economic interests of these two groups. Next, I examine the consequences of these newly created boundaries by comparing communities settled by migrants from different regions to more homogeneous, resettled, and non-resettled communities. I find that volunteer fire brigades, which provide a local public good and have a long tradition in Poland, were less likely to form in heterogeneous migrant villages, relative to both homogeneous migrant villages and villages dominated by the native population.

Chapter 4 examines how the arrival of expellees affected social cohesion in West German communities, where the native population remained in place. Using qualitative evidence, I show that notwithstanding shared ethnicity, the natives policed group boundaries between themselves and the expellees and excluded expellees from prestigious local organizations such as the volunteer fire brigades. The expellees likewise coordinated around their shared identity to gain access to local resources. I then analyze the effects of expellee presence on municipal taxes in over 7,000 Bavarian municipalities using an original historical dataset. I find that in 1950, municipalities with a larger expellee population taxed land and businesses at lower rates, a sign that the natives

reduced investment in the provision of collective goods in response to the influx of expellees.

Part III asks whether receiving large numbers of forced and voluntary migrants helped or hindered postwar state building. Mass uprooting coincided with a critical juncture in state development in both Poland and Germany. The Polish state was dismantled during WWII and reconstructed under Soviet tutelage, with the communist party monopolizing political power and nationalizing much of the economy. Institutional continuity with the prewar period was greater in West Germany, where postwar reconstruction of state administration was managed by the four occupying governments. Divergent occupation policies led to the division of Germany into two states: West Germany became a multiparty democracy, and East Germany became a single-party autocracy like Poland.

In **Chapter 5**, I show that the deficit of informal cooperation in Poland's newly acquired territory, repopulated by migrants from different regions of origin, increased the demand for state presence and undercut resistance to collectivization and other unpopular economic reforms. Although the Polish state was extremely weak in the aftermath of WWII, it benefited from the nationalization of German property, which could be redistributed to the migrants, as well as from the expropriation of prewar economic elites during the occupation. To demonstrate that the state accumulated higher administrative capacity in the resettled region, I compare it to the Polish territory located just east of the pre-WWII border, which shared the legacy of German rule but did not experience mass displacement. I further show that after the democratic transition, the communist-successor party, the SLD, received greater support in the resettled region relative to the neighboring areas with a more stable population history.

Chapter 6 examines the process of state building in West Germany. Whereas the Polish state suppressed political organization, West Germany held elections at the local, state, and federal levels. Expellees and natives could, therefore, channel their demands on the state through democratic institutions. I show that expellees depended on the government both for the enforcement of their rights vis-à-vis the native population and for the provision of social services. In the early elections, they were more likely to vote for the Social Democrats, a party that endorsed greater state planning and redistribution. The chapter shows that considerable administrative and fiscal resources were mobilized to facilitate expellee integration through measures such as one-off payments, business loans, and partial compensation for lost property, funded through a levy on capital. The governing elites were motivated not only by the expellee vote but also by the risk of expellee radicalization. Just as in Poland, the presence of expellees increased administrative capacity at the county level.

Part IV explores the long-run economic consequences of uprooting and resulting cultural heterogeneity. Within the context of communities that have been diversified by the inflow of forced and voluntary migrants, I consider

several channels that may result in beneficial economic outcomes in the long run. One is greater state presence in places with a more heterogeneous population. Another is the diversity of skills, experiences, and ideas, brought by migrants from different places of origin. I also explore the change in occupation structure and human capital that may result from forced displacement.

Chapter 7 compares the economic performance of Polish communities *within* the resettled region that vary in the share of migrants and in the composition of the migrant population. The transformation of Poland's formal institutions from extractive to inclusive in the late 1980s offers an opportunity to consider the importance of institutional characteristics in mediating the costs and benefits of cultural diversity. I start by showing that homogeneous and heterogeneous communities were economically similar during the communist period. I then show that the fortunes of heterogeneous and homogeneous migrant communities diverged after 1989, with heterogeneous communities contributing more in tax revenue and registering higher levels of private entrepreneurship and income than homogeneous communities.

In **Chapter 8**, I evaluate the economic consequences of forced migration in West Germany. To do so, I employ a community-level dataset for the state of Bavaria, which received the most heterogeneous mix of expellees, alongside county-level data for the entire country. I find that expellee presence initially increased unemployment and reduced entrepreneurship rates. Expellees left most of their property behind and had difficulties integrating into the local labor market, where their occupational skills were often irrelevant. At the same time, they were more likely to invest in human capital and create their own businesses. I show that by the 1980s, counties that received larger numbers of expellees, together with a more heterogeneous expellee population, achieved higher entrepreneurship and education levels than counties that had been less exposed to postwar migration. The effects of expellee presence have persisted over time.

Chapter 9 concludes the book by reviewing the argument's applicability beyond the context of post-WWII Europe and by highlighting the implications of the findings for broader debates in the fields of comparative politics and political economy.

A NOTE ON TERMINOLOGY

This book deals with a complex period in human migration as well as Polish and West German history, so my choice of terminology merits clarification. The book is concerned primarily with *forced* migration (or forced displacement), understood as migration driven by force, compulsion, or coercion (IOM Global Migration Data Analysis Centre 2023). The Polish case is more complicated: The territories annexed from Germany were repopulated not only by forced migrants displaced from eastern borderlands but also by voluntary

migrants from other parts of the country and from abroad. Still, the majority of migrants I study were forced to flee their homes and crossed an international border; what complicates matters is that among those Poles and Germans who crossed an international border, the vast majority originated in and arrived in the same country (Borutta and Jansen 2016, 9). Thus, neither the term "refugees" nor the term "internally displaced persons" is a perfect fit.[12]

To facilitate interpretation, the book uses a series of specific terms for migrants adopted by the Polish and West German governments during the historical period under analysis. They represent the actual categories used in the census data and migrants' memoirs and thus reflect historical context more accurately. I readily acknowledge that these terms may downplay the human toll of forced displacement and blur the differences in experiences of various population groups uprooted by the war.

Regarding migrants into Poland's resettled territories, I deploy three distinct terms. First, for migrants originating from Polish territories annexed to the USSR (Kresy), I use "repatriates" (*repatrianci*). The term was adopted in the 1940s by the Polish Communist government. It conceals the involuntary nature of the resettlement process by portraying the displaced population as returning home to Poland from abroad. The reader should bear in mind that these migrants did not consider themselves as returning home: They were uprooted from their homes after the Polish borders shifted and were placed in what they initially viewed as a foreign (German) territory. Some endured deportations to the USSR before they were repatriated to Poland. Nonetheless, setting aside its implicit bias, I prefer "repatriates" due to its regular use in Polish census data and other official documents, which facilitates transparency and interpretability. Second, for those who came from within post-1945 Polish borders, I use the term "resettlers" (*przesiedleńcy*) because their relocation was typically voluntary. Third, for voluntary migrants from other countries, including France, Yugoslavia, and Germany, who returned to Poland after several generations of living abroad, I use "re-emigrants" (*reemigranci*) where needed, to distinguish them from other population groups.[13]

As regards the population that remained in the territories annexed by Poland from Germany, I make some use of the term "natives" (native population). But I also use "autochthones" (*autochtoni*), which is commonly used in Polish historiography and is value-neutral. Some sources also refer to the native population as "locals" (*miejscowi*).

In my discussion of West Germany, I have made separate choices on how to refer to migrants. The standard term used in West Germany to describe

[12] According to the UNHCR, "[a] refugee is someone who has been forced to flee his or her country because of persecution, war or violence" while "[a]n internally displaced person, or IDP, is someone who has been forced to flee their home but never cross an international border." See UNHCR, "What Is a refugee?" www.unrefugees.org/refugee-facts/what-is-a-refugee.

[13] Some early Polish sources describe this group as *repatrianci*, that is, using the same term as for forced migrants from Kresy.

German citizens displaced from the German territories annexed to Poland and the USSR, as well as ethnic Germans displaced from various countries in Central and Eastern Europe, is "expellees" (*Vertriebene* or *Heimatvertriebene*). Before 1953, other terms were used, including *Aussiedler, Flüchtlinge, Ostvertriebene, Ausgewiesene,* and *Heimatverwiesene*. "Expellees" (*Vertriebene*) was first adopted in the US occupation zone to signal that the expulsion was final and the return was impossible. It was introduced into German in 1946 as a translation from the English term promoted by the American occupation government (Nachum and Schaefer 2018, 47). The expellees were defined in the 1953 Law on Expellees (*Bundesvertriebenengesetz*) as "Germans who, as citizens of the former German Reich or as ethnic Germans living in other lands, [. . .] had to leave their homes as a consequence of World War II" (Ther 1996, 782). The term became popular among Germans from the annexed territories and Eastern Europe because it portrayed them as victims of expulsion and signalled their special status. Nachum and Schaefer (2018, 48) argue that the leaders of expellee associations wanted to underscore the involuntary nature of expulsions by separating themselves from refugees from the Soviet zone, who made "a conscious decision to flee from danger."[14]

I use the term "expellees" throughout the book to help distinguish this population of displaced Germans from other categories of migrants who found themselves in West Germany after the war. One such category is the Displaced Persons (DPs), or foreign civilians – mostly former forced laborers and concentration camp inmates – who were expected to return to their home countries and qualified for assistance from the United Nations Relief and Rehabilitation Administration (UNRRA) and later the International Refugee Organization (IRO). Another category is that of refugees from East Germany (*Flüchtlinge*), as mentioned earlier. The boundary between *Flüchtlinge* and *Vertriebene* is somewhat blurry: In many cases, the refugees fleeing the Soviet zone were previously expelled from their homes in Central and Eastern Europe. Many official statements from the postwar period use the term "refugees" (*Flüchtlinge*) to refer to either group.

West German sources further distinguish expellees based on their places of origin: "National Germans" (*Reichsdeutsche*) designates those who came from areas that formed part of pre-1937 Germany, whereas Ethnic Germans (*Volksdeutsche*) refers to those who had for generations lived as ethnic minorities in various states in Central and Eastern Europe. The latter term was first introduced by the Nazi government to identify individuals who had German origins but not German citizenship. Despite these associations with the Nazi past, the term has often been employed in recent historical work on postwar population movements (e.g., Connor 2007), and I occasionally use it in this book for clarity.

[14] In the Soviet zone, the same category of forced migrants was named "resettlers" (*Umsiedler*) and later, even more euphemistically, "new citizens" (*Neubürger*) (Connor 2007, 8). By the 1950s, the entire subject became forbidden in the GDR (Nachum and Schaefer 2018, 47).

The German population that lived within post-1945 German borders and did not experience uprooting is typically designated as *Einheimische* in German sources, which translates into English as "natives" or "locals." I use the two terms interchangeably.

Furthermore, as regards the process of forced migration, I use the term "population transfers" to refer to the large-scale resettlement sanctioned at the Potsdam Conference in 1945. It is helpful for separating state-sponsored relocation programs from relocation forced by military action or voluntary migration. I also use the term "expulsion" to describe the forced removal of ethnic minorities either by the government or by the majority population, and "resettlement" to describe the distribution of forced – and voluntary – migrants in a new area. "Deportation" is reserved for the organized round-ups of Polish citizens by Hitler and Stalin during the occupation, which are outside the scope of this book. Some scholars have used the term "ethnic cleansing" to describe the same cases, but this designation is less precise and more politicized, so it is generally avoided in the book.[15]

Finally, various terms can describe the territories annexed by Poland from Germany after WWII. Between 1945 and 1949, the Polish government referred to them as the "Recovered Territories" (*Ziemie Odzyskane*), to emphasize that they had belonged to Poland in the medieval period and were now being taken back. By 1949, "Recovered Territories" was superseded by the less ideological "Western and Northern Territories" or simply "Western Territories," to remove all distinctions between the new and old parts of Poland (Thum 2011, 212). While I use both terms when describing communist policies and quoting sources, I have decided to make more frequent use of the term "resettled territories." It highlights that the region experienced mass migration after WWII and also avoids both the ideological bias of "Recovered Territories" and the ambiguity of "Western Territories" (as western Poland also encompasses the territory that was Polish before WWII and did not experience mass uprooting). I also occasionally use "newly acquired territories" when discussing the process of establishing Polish institutions in the region, to highlight that it had belonged to another state before 1945.

[15] For example, Bulutgil (2016) considers the expulsion of Germans from Central and Eastern Europe as a case of ethnic cleansing. See Rieber (2000, 3) for an alternative perspective.