

Fostering the Integration of Immigrants

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Integrating Forced Migrants: Evidence from the Displacement of Germans after World War II

The current “refugee crisis” has revived public interest in one of the largest forced population movements in history, the displacement of Germans from Eastern and Central Europe after World War II. The displacement involved at least 12 million Germans who fled or were expelled. Most of the displaced had resided in the former eastern provinces of the German Reich, which Germany relinquished after the war. The enormous inflow of expellees (*Heimatvertriebene*) caused a drastic increase in the population of West Germany, and their integration posed a paramount challenge to the war-ridden country. This article draws on the existing economic literature to provide a concise overview of the economic integration of the displaced and their offspring, and discusses why some regions in West Germany were so much more successful at integrating expellees than others. The article concludes with a brief discussion of potential lessons from the past for the integration of today’s refugees.

HISTORICAL BACKGROUND

The displacement occurred in three distinct phases between 1944 and 1950 (for further details see e.g., Connor 2007; Douglas 2012). The first phase took place during the final stages of World War II when hundreds of thousands of Germans from Germany’s eastern provinces fled the approaching Red Army. Most of these refugees planned to return home after the end of the war, and gathered in the West German regions that were most accessible to them. After Nazi Germany’s unconditional surrender in May 1945, Polish and Czech authorities began to drive their remaining German populations out. These so-called wild expulsions, which marked the second phase of the displacement, were not yet sanctioned by an international agreement. The third phase began after the Potsdam Agreement was concluded in August 1945. The Agreement placed the former eastern provinces of the German Reich under Polish or Russian control, and stipulated that all Ger-

mans remaining east to Germany’s new border had to be transferred to post-war Germany.

Most of the 12 to 14 million expellees were re-settled in West Germany. By September 1950, expellees accounted for 16.5% of the West German population—every sixth West German resident was an expellee. However, the population share of expellees differed greatly across West German counties (*Kreise*). It ranged from 1.8% in the south-western county of Pirmasens to 41.2% in the north-western county of Eckernförde. Figure 1, adapted from Braun and Dwenger (2017), gives an overview of the population share of expellees across West German counties. These substantial regional differences were largely the result of undirected flight to the most accessible regions in West Germany, and of France’s refusal to accept expellees into its occupation zone.

THE ECONOMIC INTEGRATION OF EXPELLEES IN WEST GERMANY

The economic integration of millions of expellees was widely perceived as one of the most daunting challenges facing West Germany after the war. Lüttinger (1986, 1989) was one of the first to provide a detailed empirical assessment of the long-run economic integration of expellees in West Germany. The author compares the socio-economic situation of expellees to that of native West Germans a quarter-century after the displacement. He shows that in 1971, there were still significant differences between both groups. In particular, expellees were still significantly over-represented among unqualified workers and under-represented among the self-employed. These findings cast doubt over the view, widely held by the contemporary German public, that the integration of expellees was swift and largely a success story.

Bauer et al. (2013) reinforce Lüttinger’s conclusion. The study accounts for pre-war differences in the socio-economic characteristics of expellees and native West Germans, and also considers the relative income position of forced migrants. It shows that 26 years after the end of the war, expellees and native West Germans who were comparable before the war performed strikingly differently in post-war Germany. First-generation expellees had lower levels of income than their native counterparts, less wealth and were less likely to be self-employed. Only the children of expellees were able to catch up with their native peers.

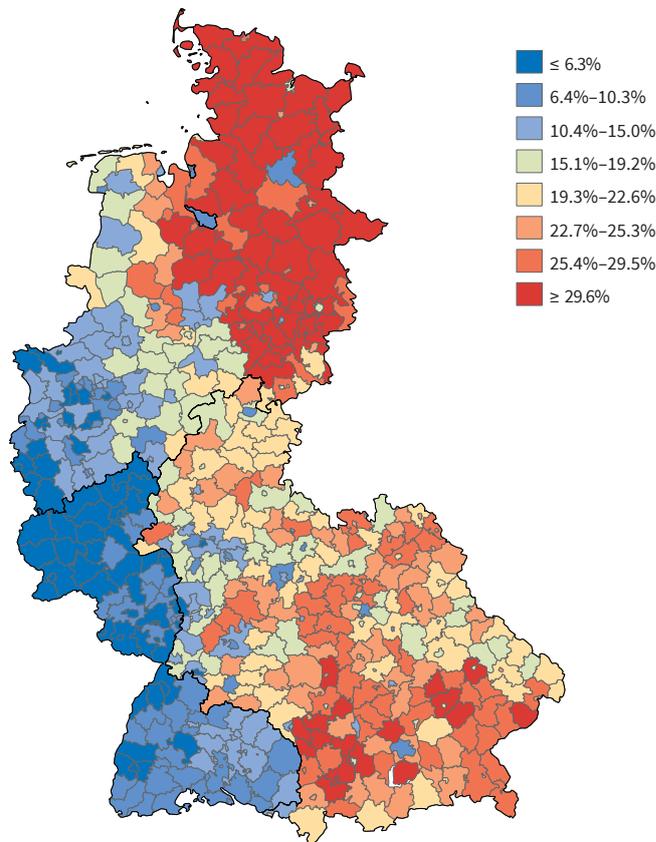
Falck et al. (2012) evaluate the effectiveness of the Federal Expellee Law (*Bundesvertriebenengesetz*) of 1953 in reducing the unemployment rate of expellees,



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Figure 1

Population Share of Expellees September 1950



Source: Braun and Dwenger (2017), based on data from the population and occupation census of September 1950.

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restoring their pre-war occupational status, and promoting entrepreneurship. The law instructed public employment agencies to give expellees preferential treatment when assisting unemployed workers with their job search. Tax incentives and credits at subsidised interest rates were meant to foster self-employment and promote entrepreneurship. However, Falck et al. (2012) conclude that the law did not speed up the labour market integration of expellees.

THE EFFECT OF THE LOCAL ENVIRONMENT ON THE INTEGRATION OF EXPELLEES

Taken together, these papers provide a comprehensive empirical assessment of the integration of the displaced and their offspring until 1971. However, neither of these papers study the role of the local environment for the integration process of expellees. This is the focus of a recent study by Braun and Dwenger (2017).

The authors document that the economic, social, and political integration outcomes of expellees varied dramatically across West German counties. Figure 2 gives an example of the large regional differences in economic outcomes. The figure shows that the unemployment rate of expellees in September 1950 ranged from less than 4% in the west of West Germany to over

32% in the north and south-east of the country. The paper reports similarly pronounced regional differences in the degree of social integration, as measured by inter-marriage rates between expellees and native West Germans and in the degree of political integration, as measured by the vote share of parties campaigning on an outspoken anti-expellee stance.

Braun and Dwenger (2017) show that two factors explain most of the regional differences in integration outcomes. Firstly, Braun and Dwenger (2017) find that larger population shares of expellees had a markedly negative effect on the integration outcomes of expellees. Higher expellee shares were, for instance, associated with higher unemployment rates of expellees. Secondly, Braun and Dwenger (2017) find that integration outcomes were considerably worse in agrarian counties than in industrialised counties. This is in line with the hypothesis that rural economies had little capacity to

productively absorb the inflow of expellees, and that natives living in these areas were generally less open to newcomers (Pfeil 1958).

LESSONS FROM THE PAST?

Current debates on the integration of today's refugees frequently cite the integration of expellees as a historical precedent. But does the integration of expellees really make for a good role model for the integration of today's refugees? Probably not. Today's situation is too different from the situation after World War II. The expellee inflow was much larger than the inflow that Germany faces today. War destruction initially hindered the integration of expellees, whereas the reconstruction boom in the 1950s fostered economic integration. More importantly, the educational attainment of expellees and native West Germans was very similar (Bauer et al. 2013), whereas today's refugees are often low skilled (IAB 2015; Worbs und Bund 2016). Expellees and native West Germans also both spoke German as their mother tongue. By contrast, limited language skills are probably one of the most important obstacles to the economic integration of today's refugees.

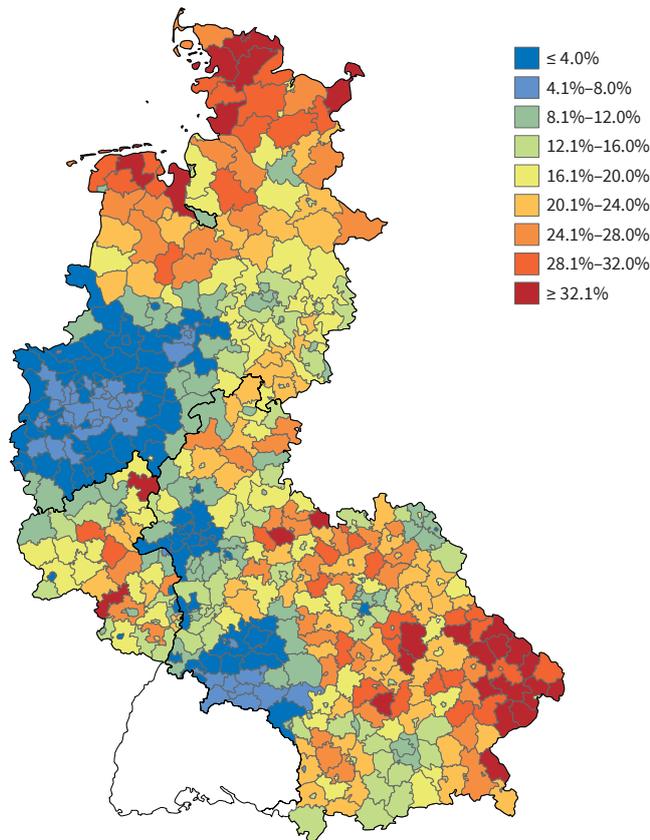
Although these stark differences limit the direct comparability between the two migration episodes, at

least three lessons can be learned from the existing evidence on the integration of expellees. Firstly, the integration of forced migrants takes time. Although the post-war expellees spoke German and were just as qualified as the West German population, they performed considerably worse than the non-displaced population in the West German labour market—even a quarter century after the displacement. Secondly, the decision of where to resettle refugees within a country is likely to have a first order effect on integration outcomes. While further research in the area is warranted, Braun and Dwenger's (2017) results suggests that the local migrant density and the local economic structure should be key considerations when resettling refugees. Thirdly, sending refugees to rural areas is unlikely to foster rural revival, as often suggested in today's debate. Integration is generally more difficult in rural than in urban areas, and refugees are likely to move on to urban areas once they are allowed to do so. This is exactly what happened after World War II: Schleswig-Holstein alone lost over 10% of its population in the 1950s, as expellees moved from the rural and agrarian regions in the North to the urban areas and industrial centres in the West of Germany.

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Figure 2
Unemployment Rate of Expellees
September 1950



Source: Pfeil (1958), based on data from the population and occupation census of September 1950. © ifo Institute

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