Forced Migration and the Educational Attainment of Second and Third Generations

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This paper studies the effect of forced migration on the educational attainment of second and third generations. Recent literature that exploits forced population movements within post-war socialist Poland documents that descendants of forced migrants acquire more years of education compared to natives. Yet, it remains unclear whether this finding is also valid in a free-market economy, providing different adjustment mechanisms. Therefore, I explore the re-allocation of 8 million expellees to West Germany after World War II as natural experiment. Using German panel data, this study shows that the educational outcomes of the second generation were negatively affected by the displacement of the parental generation. Local conditions in the region of birth, war destruction and the initial regional inflow of expellees do not confound this finding. For the latter, IV-estimates alleviate the concern of biased estimates due to a potential self-selection of expellees into specific regions. Tests for heterogeneous effects, however, reveal that the negative displacement effect is only evident for sons,
individuals whose both parents were expellees and the higher end of the education distribution. The findings for third-generation expellees are on par with those of natives. Differences in the intergenerational transmission of human capital between natives and expellees cannot explain this pattern. Evidence from supplementary data suggests that descendants of expellees could benefit from converged labor market integration, decreasing income gaps and the re-accumulation of wealth over the generations. In a similar vein as existing findings for former socialist countries, a replication of the analysis for East Germany reveals positive - albeit insignificant - displacement effects. The findings of this paper imply that the social and economic costs of displacement go beyond the first, initially displaced generation and, depending on their economic integration, may multiply through future generations.