

## Mounir Karadja - "Mass Migration, Cheap Labor, and Innovation"

Abstract - Migration is often depicted as a major problem for struggling developing countries, as they may lose valuable workers and human capital. Yet, its effects on sending regions are ambiguous and depend crucially on local market responses and migrant selection. This paper studies the effects of migration on technological innovation in sending communities during one of the largest migration episodes in human history: the Age of Mass Migration (1850–1913). Using novel historical data on Sweden, where about a quarter of its population migrated, we find that migration caused an increase in technological patents in sending municipalities. To establish causality, we use an instrumental variable design that exploits severe local growing season frost shocks together with within-country travel costs to reach an emigration port. Exploring possible mechanisms, we suggest that increased labor costs, due to low-skilled emigration, induced technological innovation.

## Ekaterina Zhuravskaya - "Forced Migration and Human Capital: Evidence from Post-WWII Population Transfers"

Abstract - We exploit a unique historical setting to study the long-run effects of forced migration on investment in education. After World War II, the Polish borders were redrawn, resulting in large-scale migration. Poles were forced to move from the *Kresy* territories in the East (taken over by the USSR) and were resettled mostly to the newly acquired *Western Territories*, from which Germans were expelled. We combine historical censuses with newly collected survey data to show that, while there were no pre-WWII differences in education, Poles with a family history of forced migration are significantly more educated today. Descendants of forced migrants have on average one extra year of schooling, driven by a higher propensity to finish secondary or higher education. This result holds when we restrict ancestral locations to a subsample around the former Kresy border and include fixed effects for the destination of migrants. As Kresy migrants were of the same ethnicity and religion as other Poles, we bypass confounding factors of other cases of forced migration. We show that labor market competition with natives and selection of migrants are also unlikely to drive our results. Survey evidence suggests that forced migration led to a shift in preferences, away from material possessions and towards investment in a mobile asset – human capital. The effects persist over three generations.