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THE REFUGEE’S DILEMMA: EVIDENCE FROM JEWISH MIGRATION OUT OF NAZI GERMANY∗

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We estimate the push and pull factors involved in the outmigration of Jews facing persecution in Nazi Germany from 1933 to 1941. Our empirical investigation makes use of a unique individual-level data set that records the migration history of the Jewish community in Germany over the period. Our analysis highlights new channels, specific to violent contexts, through which social networks affect the decision to flee. We estimate a structural model of migration where individuals base their migration decision on the observation of persecution and migration among their peers. Identification rests on exogenous variations in local push and pull factors across peers who live in different cities of residence. Then we perform various experiments of counterfactual history to quantify how migration restrictions in destination countries affected the fate of Jews. For example, removing work restrictions for refugees in the recipient countries after the Nuremberg Laws (1935) would have led to an increase in Jewish migration out of Germany in the range of 12% to 20% and a reduction in mortality due to prevented deportations in the range of 6% to 10%. *JEL Codes: F22, N40, F50, D74.*

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I. INTRODUCTION

Violence is a major driver of migration. In 2021, 89.3 million people were forcibly displaced as a result of persecution, conflict, mass killing, and other forms of violence (UNHCR 2022). Yet we do not have a precise understanding of the process behind the decision to emigrate at the individual level in a violent context. How do people factor in the threat to personal security that a conflict poses, and at which point are they ready to leave their homes behind? How do migration policies in potential destination countries affect their survival prospects in their origin countries? Beyond case studies and anecdotes, these questions remain overlooked from a causal and a quantitative perspective. This lack of systematic evidence is worrying given the high policy relevance of the link between conflicts and migration as exemplified by the recent waves of refugees fleeing Syria and Ukraine.

This article studies the push and pull factors that were involved in migration decisions of Jews facing persecution in Nazi Germany from 1933 to 1941 (the period when migration was allowed). By the end of 1938, more than two-thirds of the Jewish community was still in Germany despite years of persecution. This puzzling fact has attracted a lot of attention from historians who have contrasted two main explanations: (i) migration frictions and (ii) the underestimation of the actual threat by the Jewish community.1 Our analysis aims at assessing quantitatively their relative contributions. Our natural premise, backed by many historical records, is that network effects and social interactions in the community played a pivotal role in the decision to flee by affecting both migration prospects and perceptions of the threat.

Our modeling of social interactions features elements that we believe are inherent to contexts where violence is pervasive. First, we emphasize how social networks aggregate information on the extent of persecution and consequently shape outmigration incentives. We call this channel the threat effect. Second, we investigate how the past migration of peers affects current outmigration incentives. Here we consider two different migration spillovers. The diaspora effect is a network-driven pull factor that has been extensively documented in the migration literature (Munshi 2003; McKenzie and Rapoport 2010; Beine, Docquier, and Özden 2011). An expanding social network in a destination

country facilitates future migration by lowering frictions (job market search, housing, etc.). On top of the diaspora effect, a shrinking social network in the origin country lowers the prospects of staying. The reasons are numerous and pertain to less frequent social interactions between group members, a fall in real wages (e.g., in-group business network), fewer in-group amenities (cultural and religious practices, provision of public goods, food, etc.), the statistical targeting of the remaining group members, and the migration of peers signaling how seriously they factor in the threat. This exodus effect, which our article is the first to empirically quantify, acts as a network-driven push factor. In terms of methods, we introduce those two spillover channels in a model that adopts techniques from the recent quantitative spatial economics literature (Monte, Redding, and Rossi-Hansberg 2018; Tombe and Zhu 2019; Caliendo et al. 2021; Redding 2022).

Our empirical investigation makes use of rich information about the Jewish residents of Germany in the period 1933–1945. The data set, known as the Resident List, was compiled by the German Federal Archives, which was instructed by the federal government in 2004 to create a “scientifically established directory of all Jewish residents in the German Reich 1933–1945” (see Zimmermann 2013). This data set records biographic information, as well as a detailed migration or deportation history, including the timing of migration movements, the destination countries, and/or the deportation date and place. To the best of our knowledge, we are the first to use this data set for a scientific quantitative study. Therefore, a first objective of our study is to establish the Resident List as a reliable historical source and describe the characteristics of Jewish emigration based on these data. We exploit the available information on individuals’ city of birth to reconstruct (part of) their social network. Our assumption is that individuals of comparable age (±5 years) and born in the same city are likely to know each other—a reasonable view given that the Gemeinden (communities) were the focal point of the Jewish social life at the local level (Maurer 2005, 270). These

2. The archives drew on more than 1,000 different sources (including emigration lists, membership lists of Jewish parishes, all German municipal archives, foreign archives, deportation lists, and registers of concentration camps) over a period longer than a decade to trace emigration and deportation at the individual level for the community of Jews living in Germany in the 1930s.

3. Jewish communities, known as Jüdische Kultusgemeinde or simply Gemeinde, were public corporations, collected taxes, and organized local Jewish
communities were spread all across the German territory, were relatively small, and were spatially sorted even in big cities.

The identification of a causal impact of peer effects on violence-induced outmigration is challenging for several reasons. A first issue is that violence usually prevents the collection of exhaustive data. Particularly important, it is rare in those episodes to have data covering extensively both the migrants and the stayers. The Resident List contains such information. Perhaps even more important, there are challenges related to the identification of peer effects. Measurement of social networks is notoriously hard and requires fine-grained information. In addition, peers often live in the same place and therefore experience the same unobserved conditions (e.g., localized violence and economic deprivation), leading to correlated effects. Our data and context provide a unique setting to tackle these issues. Indeed, the disaggregated nature of our data set allows us to control for a large battery of fixed effects that absorb many unobserved correlated effects. Moreover, cross-city mobility of the German population was high after the collapse of the German empire in 1918. Hence, when Hitler came to power, many peers, friends, and relatives were living in different cities of residence. Our measure of social network exploits this fact: we focus on distant peers (DPs), namely, individuals from the same age group and the same city of birth but living in a different city. As a result, decision makers and their (distant) peers were exposed to different local push and pull factors of migration, which should filter out potential correlated effects.

Our main data set offers rich information on the location of the interwar Jewish community in Germany and their migration decisions. However, it lacks information on individuals’ education, income, and wealth, which potentially affect migration prospects. 4 This prevents us from assessing the effect of financial constraints

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4. It is likely that economic means affected the capacity and motivations of Jewish outmigration decisions in Nazi Germany. It is also likely that the influence of income and wealth for instance were ambiguous. On the one hand, richer individuals could more easily cover the costs associated with travel and relocation. On the other hand, well-off households might have been more sensitive to the expropriative taxes imposed on departure. A high level of education (associated with income and wealth) did not necessarily translate into better migration prospects, since some specialized professional skills could be less portable abroad (e.g., lawyers) than others (e.g., scientists, entrepreneurs).

life by financing religious and secular institutions, such as synagogues and more than 5,000 Jewish associations (Gruner 2019).
on migration decisions. Note that our causal analysis of network effects exploits identifying variations that are likely to be uncorrelated with individual characteristics: push and pull factors affecting peers in different cities of residence. Furthermore, our results are barely affected by including individual fixed effects, which capture time-invariant omitted individual characteristics, such as those related to economic status, political orientation, or religiosity. Another data limitation is the absence of information on the intensity of social ties. Therefore, we cannot investigate how strong and weak social ties differentially affect migration prospects.

We begin the empirical analysis with a reduced-form estimation of the determinants of the outmigration decision. Our estimates show that both past detainment and migration of distant peers positively affect the individual-level likelihood of migrating. We interpret this finding as preliminary evidence of the threat effect and the (joint) influence of the migration spillovers (exodus and diaspora). To disentangle diaspora and exodus effects, we proceed with a structural approach, exploiting the available information on choices of destination to discriminate between the two effects. Migration of peers to a given country increases future migration only to that country according to the diaspora effect, whereas it raises the odds of migrating to all destinations according to the exodus effect. To allow for an integrated framework, we specify our model of migration as a two-step nested logit: a lower model explains destination choices and yields a gravity equation of city-to-country migration, and an upper model explains the decision to migrate out of Germany at the individual level. The structural estimation of destination choices reveals the underlying parameters driving the response to migration frictions, in addition to estimates of the “core attractiveness” of each destination country for every year between 1933 and 1941. We use these estimates to construct a theory-consistent measure of expected utility for each person in the outmigration decision. Results from estimating the outmigration model show that peers’ past migration positively affects the likelihood of emigration. A one standard deviation increase in the past migration of network members, that is, the exodus effect, increases the annual emigration probability by 1.1 percentage points (20% of the sample mean). Increasing the expected utility by one standard deviation, which encompasses the diaspora effect together with destinations’ attractiveness and
migration frictions, increases the annual probability of emigration by 1.3 percentage points (24% of the sample mean).

Building on recent advances in the analysis of policy scenarios in trade (often referred to as exact hat algebra), we use the model to conduct a number of counterfactual policy scenarios. The policies we simulate are motivated by actual historical circumstances (events and proposals discussed in the period). The simulation results show substantial effects of policies reducing migration frictions, especially when magnified by the social spillovers. For example, removing work restrictions for refugees in the destination countries after the Nuremberg Laws (1935) would have led to an increase in Jewish migration out of Germany in the range of 12% to 20%, and a reduction in mortality due to prevented deportations in the range of 6% to 10%. Moreover, we document that the diaspora and exodus effects are both at work with quantitatively close magnitudes. Finally, our quantifications indicate that migration frictions in the destination countries contributed more to the low rates of migration out of Nazi Germany than the underestimation of the actual threat by the Jewish community.

In terms of contribution to the literature, this article first adds to the analysis of violence as a push factor of migration. The literature on forced migration under threat has shown that violent conflicts and natural disasters are first-order push factors: Chin and Cortes (2015) and Becker and Ferrara (2019) provide excellent reviews. This literature mostly consists of aggregate studies, and only a few analyses have examined the connection between violence and migration at the individual level. The most prominent are Engel and Ibáñez (2007) and Ibáñez and Vélez (2008), who study the determinants of population displacement during conflict in Colombia using a household survey. They find that the threat of violence and the presence of paramilitary and guerrilla groups were strongly associated with outmigration. In the same vein, Bohra-Mishra and Massey (2011) examine the effects of exposure to violence on individual decisions to migrate during the Nepalese civil conflict. In all these papers, and contrary to ours, the authors observe only a small fraction of individuals affected by the conflict. Moreover, their main focus is on internal displacement in the context of developing economies, while we investigate violence-induced international migration in 1930s Germany. Several papers specifically study migration of Jews induced by
persecution. Spitzer (2021) investigates the effects of anti-Jewish mob violence in the Russian empire and Jewish migration networks established in the United States on the migration of Jews to the United States between 1881 and 1914. In comparison, our study focuses on individual migration decisions of Jews during a period of persecution, as opposed to postpersecution migration decisions aggregated at the district level. Blum and Rei (2018) look at Jewish emigration during the Holocaust for a sample of migrants who traveled from Lisbon to New York between 1940 and 1942. Becker et al. (2021) highlight a specific aspect of emigration from Nazi Germany. They focus on the role of professional networks in the emigration of Jewish academics. We instead analyze migration decisions of the entire Jewish community and simulate counterfactual history experiments to assess how migration would have reacted to less restrictive refugee policies. Beyond economics, our article also speaks to a large literature in history that has studied Jewish persecution and emigration in Nazi Germany and the reactions and policy responses in receiving countries.


6. On the description of Jewish life in prewar Germany, see Kaplan (1999), Maurer (2005), Matthäus and Roseman (2010), Nicosia and Scrase (2013). On the response of foreign countries, notably the United States, see Strauss (1980, 1981) and Friedman (2017). Existing historical research has unraveled important patterns of Jewish emigration, such as by year and by geographical regions, as well as the demographic composition of Jewish emigrants (notably Strauss 1980, 1981; Rosenstock 1956). These studies describe and discuss a spatial pattern of migration over time that is similar to what our data reveals, such as the initial rush to Western European countries, and the later shift to further-away destinations, such as the United States and Shanghai (see Section II.B). Note, however, that the numbers provided in this earlier research are limited in scope and precision, as
Finally, we contribute to the empirical literature on migration by providing a cleaned and cross-validated version of the Resident List to the communities of economists, historians, and social scientists. We believe that the coverage and quality of this data set make it valuable not only for tackling the specific case of Jewish migration in Nazi Germany but also for studying refugees’ migration in general. The reasons the data set is so unique—even compared with many modern data sets on refugees—are numerous. It covers most of the population at risk. It contains fine-grained information on individuals and localities. It provides information not only on the migrants but also on the stayers. It includes multiple destinations allowing us to study the choice to outmigrate and the choice of destination (which feeds back on the incentives to outmigrate). To the best of our knowledge, none of the data sources covering modern or historic contexts covers all these features.

The article is structured as follows. Section II presents a brief historical background and then describes and validates the data. In Section III, we discuss the role and measurement of social networks. Section IV provides a reduced-form analysis of the data and documents the threat effect. In Section V, we build and estimate a structural model of outmigration. Section VI displays the counterfactual exercises. Section VII concludes.

II. HISTORICAL BACKGROUND AND DATA

II.A. Historical Background

1. Jewish Life in Germany. When Hitler took power in 1933, about 503,000 Jews were living in Germany according to the census of 1933, of which about four-fifths were of German origin, and about one-fifth were of foreign nationality (Statistisches Reichsamt 1936).\(^7\) Compared to 65 million people living in the German Reich, the Jewish community was small and made up

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\(^7\) The census of 1933 recorded Jewishness based on a person’s religious affiliation. In contrast, the Nazis defined Jewishness based on Jewish ancestry by counting the number of one’s Jewish grandparents. Zimmermann (2013) estimates that about 600,000 people satisfying the Nazi definition of Jewish ethnicity were living in Germany in 1933. See Online Appendix F for additional details of the historical background.
less than 1% of the total population. Its members were spread over the entire area of the German Reich, inhabiting more than 5,000 different towns. However, a large fraction lived in urban centers.8

Social relationships in the Jewish communities (Gemeinden) were the cornerstone of Jewish life. The Gemeinden collected taxes to finance religious and communal institutions, such as synagogues, schools, newspapers, and charities (Gruner 2019). Even Jews who were not practicing their faith participated in community meetings and Jewish organizations and donated to Jewish charities. Besides the community, socialization took place in the extended family, and matchmaking created extensive family ties. Family and friends provided networks of support and stood in regular contact, either by phone, letter, or through personal visits on weekends and religious holidays, even when living apart. While the number of conversions and intermarriage rose after 1900 (see Lowenstein 2005; Voigtländer and Voth 2013), these trends did not dismantle Jewish networks.9 “Converts and intermarriages formed a transitional stage. They generally departed from official Judaism but remained influenced by their upbringing and an informal Jewish community. They did not abandon Jewish familial and friendship networks, nor were they abandoned in return” (Kaplan 2002, 20). Hence, despite declining religiosity and increasing socialization outside of the Jewish community, synagogues and Gemeinden remained crucial centers of social interactions (Maurer 2005, 332). And the circle of close relationships remained Jewish: “Generally, friendships among Jews were more frequent and closer than friendships with non-Jews. For some families their entire circle of friends was exclusively Jewish. [...] neither acculturation nor the abandonment of religious observance brought about close relations with non-Jews”

8. Maurer (2005, 273), referring to sources other than the ones we use, reports that 55% of the entire Jewish population lived in the top 10 cities in 1933, a number consistent with the share we obtain with our data.

9. Meyer (2000) counts about 35,000 mixed couples in 1933. According to Kaplan (2005, 250), only about 23,000 Jews converted in the German empire from Judaism to Christianity (between 1871 and 1919), which corresponds to about 4% given a population of Jewish people estimated at around 500,000. Data from the prewar period from 1933 to 1939 for a selected set of cities from Lowenstein (2000, 85) suggest small conversion rates in a range between 0.7% to 4.5%, with the outlier being Hamburg at 10.5%. The motives for conversion were often nonreligious, as most converts tried to escape discrimination.
(Maurer 2005, 335). In sum, socialization in the community and the extended family created solid social ties among Germany’s Jews on the eve of Hitler’s rise to power. With the start of Nazi persecution in 1933, Jewish networks gained even further importance for Jewish citizens of Germany (Maurer 2005, 270).

2. Persecution. Immediately after the Nazis rose to power in January 1933, anti-Jewish legislation, state-led anti-Semitic actions, and violence began. The Nazi government sought to push Jews out of the country by taking away legal rights and economic opportunities and by excluding them from social life. Just weeks after the new government was elected, a nationwide boycott of Jewish business took place, which marked the first planned act of Jewish persecution. During the boycott, numerous shops were attacked and destroyed, and their owners were taken into “protective custody” (Schutzhaft). “Protective custody,” the Nazi euphemism for arbitrary and indeterminate detainment, was one of the most powerful instruments of the Nazis to persecute individuals that they deemed unwanted. It was officially framed as being necessary to protect the detained Jews from the “righteous” wrath of the German population. Individuals could be taken into custody by members of the Nazi Party’s organizations (SA and SS) and the Secret State Police (Gestapo) without a judicial warrant or justified reason. The public spurred detainment, for example by reporting cases of “race defilements” or by denouncing business competitors of alleged crimes (Wünschmann 2010). After days or weeks of detainment, the detainees returned to their families often severely beaten and emaciated. In many cases (particularly after November 1938) prisoners were required to sell their belongings and emigrate within the next few months as a condition to be released. Especially in the years prior to November 1938, detainment was not organized centrally. The historical evidence suggests that who and how many people were detained was largely idiosyncratic at the local level. It depended on local anti-Semitic sentiments and arbitrary decisions of local party members, which created an environment of fear (Bartrop and Dickerman 2017). We document a strong positive correlation between detainment and local anti-Semitism using our data set in Online Appendix G.2.

In the first years of the Nazi rule, incidences of violence intensified and culminated in the infamous 1938 November pogroms,

10. See Online Appendix F.5 for a description of the main anti-Semitic events.
known as Kristallnacht or the “Night of Broken Glass.” During Kristallnacht, hundreds of synagogues were attacked, several thousand businesses were destroyed, and thousands of men were taken into custody. With the start of World War II, the Nazi policy changed from encouraging Jewish outmigration to the extermination of all Jews. At the end of 1941, emigration from Nazi Germany was officially forbidden, and mass deportations to the concentration camps began shortly afterward. When the Nazis took power, most of the Jewish population believed that the Hitler regime would only be short-lived. “Hitler used the Jews as propaganda, now you’ll hear nothing more about the Jews,” or “Such an insane dictatorship cannot last long,” illustrate popular sentiments (Kaplan 2013, 28–29). However, imprisonments and other anti-Semitic actions created fear in the Jewish community and made the danger more apparent. Anecdotal evidence, presented in Online Appendix F.2, documents the exchange of information about incidences of persecution in the Jewish community. These personal and indirect experiences with anti-Semitic events provided important information about the extent of persecution.

3. Deciding to Stay or Leave. Jews faced many dilemmas and uncertainties while deciding to stay or migrate and where to go. Although emigration was voluntary, it involved high costs. Migrating meant leaving behind traditional lives, splitting up from family and friends, and suffering a loss of economic status and wealth. The Nazi government sought to benefit from Jewish emigration by levying several taxes to expropriate migrants.11 Migrating also involved bypassing bureaucratic hurdles, such as filing applications and paying for visas. Obtaining a visa was

11. Since 1931, migrants from Germany had to pay a flight tax (Reichsfluchststeuer). In 1934, the Nazi government lowered the levels of income/wealth above which individuals migrating were required to pay this tax. From May 1934 onward, migrants had to pay a flight tax of 25% if their yearly income exceeded 20,000 Reichsmark (the equivalent of US$5,000 in 1934), or if they possessed assets worth 50,000 Reichsmark (the equivalent of US$12,500 in 1934). On top of that, after the pogroms of November 1938, Jewish emigrants were also required to pay an emigration levy of 1%–10% (Auswandererabgabe) for assets above 1,000 Reichsmark that they wished to transfer. In addition, the Nazi government heavily restricted the transport of wealth and private belongings outside of Germany. Financial assets had to be moved to a domestic account from which only small fractions could be transferred abroad. Ritschl (2019) estimates that over the period from 1933 to 1937, these policies resulted in an effective tax rate of 77% for migrants.
often extremely difficult and came with additional requirements, such as having a personal contact in the destination country. Settling in a new country was burdensome, as migrants frequently did not master the local language and their skills and academic qualifications acquired in Germany were often useless in the destination countries. Thus, migrating implied a future in which living conditions, status, and social relationships were highly uncertain. Anecdotal evidence, presented in Online Appendix F.3, documents that the emigration question, that is, migration plans and prospects, was heavily discussed in personal visits and letters in the Jewish community.

4. Immigration Policies. As the world economy recovered slowly from the Great Depression (1929), many countries imposed restrictions on immigration. Policies aimed at curbing immigration included quotas and visa restrictions. The allocation of entry visas depended on qualifications, financial means, resident relatives and friends, age, or state of health. Already in 1924, the United States had fixed a quota that restricted entry to 27,370 migrants a year from Germany and Austria, independent of religion (Stiftung Jüdisches Museum Berlin 2006). As the situation for Jews in Germany became aggravated during the 1930s, more and more countries closed their doors. Only a limited number of destinations, such as the “Shanghai International Settlement,” had little to no restrictions and remained open for Jewish refugees until 1941 (Stiftung Jüdisches Museum Berlin 2006). In July 1938, 32 countries met at a conference in Evian, France, to discuss solutions to the Jewish refugee crisis. The conference did not result in an agreement regarding how to allocate the flow of Jewish migrants, as none of the participants, except for the Dominican Republic, wanted to commit to welcome additional refugees. The reluctance of destination countries to accept more Jewish refugees was often backed by sentiments of anti-Semitism and hostility.
II.B. Data on Migration and Deportation

We base our empirical investigation on individual-level information on migration, detainment, and deportation of Jews living in Germany in the 1930s. Our main source of information is the Resident List that was compiled by the German Federal Archives (Zimmermann 2013). The Resident List provides information on individuals’ first and last names, birth dates, birthplaces, gender, and places of residence. Particularly valuable for the purpose of our study, it records (when relevant) the migration and/or deportation history: timing of migration movements, the first and second destination countries, and/or the deportation date and place. Moreover, it conveys information on whether and when a person was detained (subject to Schutzhaft). We supplement it with the 1939 census to recover further information on the nonmigrants.

To the best of our knowledge, these sources had never been used for quantitative research. An important part of our work is hence devoted to transforming the raw information into estimation data sets and validating its suitability for econometric analysis. In this section, we provide a summary of our data construction procedure; see Online Appendix A for more details. To estimate our model of outmigration decision, we need to define and collect information on the overall Jewish “population at risk” (of persecution) over the period. Then we explain a number of sample cuts dictated by data availability and our procedure for encoding migration trajectories. Finally, we conduct several validation exercises.

1. Defining and Measuring the Population at Risk. Here we explain the definition of the population at risk of persecution in Nazi Germany and how the Resident List relates to it.

   i. Decision Makers. Our period of study starts in 1933 and ends in 1941—the last year before outmigration was banned. We aim to cover the population likely to be persecuted because
of being Jewish according to the Nazis. We therefore need definitions of (i) Jewishness and (ii) who is a decision maker in the migration choice. Regarding the first point, we chose to work with the Nazis’ definition of “ethnic Jews” according to the Nuremberg Laws 1935. The second point involves focusing on adult (i.e., excluding children) residents of Nazi Germany who were not forcibly displaced. The individuals who migrated and those who stayed are considered to be decision makers. Similarly, individuals who stayed in Germany and passed away before 1941 are considered to be decision makers until their death.

ii. Nuremberg Laws’ Definition of Ethnic Jews. According to the laws of September 15, 1935, individuals with three or four Jewish grandparents were considered ethnic Jews. Those with one or two Jewish grandparents were considered mixed race of second and first degree, respectively. First-degree mixed-race individuals (with two Jewish grandparents) were considered ethnically Jewish under some circumstances, in particular, if they practiced the Jewish religion or if they were married to a Jew.14

iii. Estimation of the Number of Ethnic Jews Residing in Germany in 1933. About 503,000 people were registered to be Jewish, based on their religious affiliation, in the census of June 16, 1933 (Statistisches Reichsamt 1936).15 The Federal Archives, however, estimate that a total of 600,000 people of ethnic Jewish origin (according to the definition of the Nuremberg Laws) were living in Germany (Zimmermann 2013), a number that the archives regard as consensual among scientists. Although less precisely measured, this figure is more relevant for our purpose of working with an ethnic definition of Jewishness.

14. The official wording of the laws is that Jewishness is based on race. However, practically, it was based at least in part on participation in the Jewish community or on religious practice. For instance, Jews who recently converted to Christianity were still considered Jewish, and Christians who converted to Judaism were also considered Jewish. (See the full text of the Reichsbürgergesetz 1935, as well as an interpretation of the law from March 1938 in the wake of the occupation of Austria, DOEW 1988).

15. The two censuses taken in 1933 (January and June) report the number of Jews as adherents to Judaism; 499,682 Jewish people were recorded in the census of June 1933, this number increases to approximately 503,000 taking into account Jews living in Saarland (see Statistisches Reichsamt 1936).
iv. The Resident List. Our source of information for the migration and deportation status of Jews, as well as for their detention status and cities of birth and residence, is the Resident List. In 2004, the Federal Government of Germany commissioned the Federal Archives to construct “a scientifically established directory of all Jewish residents in the German Reich 1933–1945.” (Zimmermann 2013, 2) What is unique about the Resident List is its coverage of the resident population of ethnic Jews at the individual level.16 The aim of the project was “to establish a list as completely and precisely as possible of the approximately 600,000 Jewish residents from a variety of sources, who [at any time] between 1933 and 1945 had resided in Germany” (Zimmermann 2013, 2). However, the total number of individuals in the raw data of the Resident List (provided to us by the Federal Archives on March 25, 2019) is larger, at 812,566. The difference comes from the fact that the Federal Archives chose a criterion of inclusiveness in the Resident List that was broader than what is needed for our purpose. The first difference is that they included all residents they could find with at least one Jewish grandparent.17 The second difference emerges when we investigate the characteristics of individuals that lack information on their city of residence. It seems to be related to including a large number of foreign Jews who, during deportation, transited through Germany after 1941 (see Online Appendix B.2 for more details).

16. It is important to note that the individual-level data of the 1933 census have been lost (according to our personal correspondence with the Federal Archives). The only official (undigitized) data on Jewish population in 1933 we managed to find from the 1933 census are aggregated at the district level. The (digitized) 1939 census does report individual-level information on Jews but at a date when many of them had already left the country. While we make use of the 1939 census to recover information on a subsample of the Jewish population, we cannot use it to reconstruct the whole population at risk in 1933.

17. Upon our inquiry, in a written reply dated March 20, 2021, the archives confirmed that all Jews listed in the Resident List have at least one Jewish grandparent. Quoting from the reply, translated by the German native speaker among coauthors: “The Resident List documents all Jews who, between 1933 and 1945, voluntarily took up residence in the German Reich within the borders of 31 December 1937, regardless of their nationality. In the Resident List we work with a broad definition of ‘Jewishness’, i.e., all persons are documented who had between one and four Jewish grandparents, i.e., all so-called ‘full Jews,’ ‘half Jews,’ and ‘quarter Jews.’ This leads to a correspondingly high number of persons.”
2. Treatment of the Resident List. We briefly describe our treatment of the Resident List from the raw data to the estimation samples.

i. Cleaning the Resident List. We clean the raw data from the Resident List to construct social networks, build city-level measures, and merge it with other data sets. In particular, we harmonize first names and city names in the Resident List, a task made necessary by large variations in which names appear (e.g., German versus Polish, Czech, Russian, Ukrainian).

Table I summarizes the different steps of how we narrow down the sample from the raw data source to our estimation samples. The number of individuals in the raw data is reported in row (0) of the table. Our empirical framework requires that the individuals included in the data were indeed at risk, in particular being residents of Nazi Germany between 1933 and 1941. The Resident List lacks information on the city of residence for a large number of individuals (see Online Appendix B for a thorough

<table>
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<th>Steps</th>
<th>Resident List (+ data available)</th>
<th>1939 census</th>
<th>No. of ind.</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>812,566</td>
</tr>
<tr>
<td>(1)</td>
<td>City of residence (CoR)</td>
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<td></td>
</tr>
<tr>
<td>(2)</td>
<td>Date/city of birth (CoB)</td>
<td>476,727</td>
<td></td>
</tr>
<tr>
<td>(3)</td>
<td>Geo-coded CoR/CoB</td>
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<td></td>
</tr>
<tr>
<td>(4)</td>
<td>Adults only (16+)</td>
<td>343,560</td>
<td></td>
</tr>
<tr>
<td>(5)</td>
<td>Mig./deport. date</td>
<td>173,816 †</td>
<td></td>
</tr>
<tr>
<td>(5′)</td>
<td>of which migration date is known</td>
<td>69,677</td>
<td></td>
</tr>
<tr>
<td>(5″)</td>
<td>of which deportation date is known</td>
<td>104,139</td>
<td></td>
</tr>
<tr>
<td>(6)</td>
<td>In Germany pre 1939, Yes</td>
<td>83,959 ‡</td>
<td></td>
</tr>
<tr>
<td>(7)</td>
<td>Death in Germany/expelled to Poland</td>
<td>16,624 ‡</td>
<td></td>
</tr>
<tr>
<td>(8)</td>
<td>Without further information after 1933</td>
<td>No</td>
<td>69,161</td>
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</table>

Notes. The symbols † and ‡ signal individuals who are part of the F sample (full spells) and the FP sample (full and partial spells), respectively. (See Online Appendix A.3.1 for the construction of these estimation samples.)
analysis of this issue).\textsuperscript{18} Dropping those individuals (along with 7,473 duplicate entries we identify), the sample gets to 550,908 individuals, corresponding to row (1). This figure is much closer to the estimate of the number of ethnic Jews living in Nazi Germany given by Zimmermann (2013). We call this sample the Core Resident List (CRL).

Our measurement of social networks is based on the date and city of birth of individuals, along with their city of residence. Dropping observations without such information brings us to a sample of 476,727, corresponding to row (2). Geocoding cities is crucial for computing spatial distance between individuals to identify distant peers in social networks. We collected latitude and longitude for 6,006 cities. For a set of cities, it was impossible to recover coordinates. These cities are for the most part very small settlements. There were misspellings in city names with no obvious way to correct, or no further information to unambiguously identify places with identical names. In addition, the geocoding procedure revealed that a small number of residence cities (1,307 individuals in 35 cities) were not within the borders of Germany on December 31, 1937 (the date chosen by the Federal Archives for establishing the Resident List). Dropping the latter two sets of cities, the sample size falls to 430,691, corresponding to row (3). Online Appendix Figure A1 displays the spatial distribution of this population across residence cities and birth cities.

\textbf{ii. Keeping Only “Adults”}. We restrict the sample to the population most likely to be truly autonomous decision makers. The legal majority status was set at 21 in Germany over that period. However, 16 is thought by historians to be the earliest age at which someone could be economically independent at this period (see Online Appendix G.1). The end of compulsory schooling was at age 14, to which two-year apprenticeships were typically added. Empirically, we observe a clear jump in the probability of migrating at age 16, a pattern that is documented in Online Appendix Figure G1. In our baseline analysis, we therefore restrict the sample

\textsuperscript{18} There are up to three variables that list cities of residence for each individual. The first one is providing the last known residence, while the two others refer to older residence cities (but with no date attached). In our benchmark analysis, we work with the last known city of residence, but investigate the robustness of our results to using previous cities of residence.
of choosers to individuals aged 16 or above in 1933. This step involves cutting the sample to 343,560, corresponding to row (4).

iii. Estimation Samples. In this step, we transform individual-level migration information into a single “spell” of zeros and ones to estimate a discrete-time duration model of outmigration over 1933–1941. A spell consists of zeros between 1933 and the last year before exiting the sample; the year of migration is coded as one. Spells of individuals who did not migrate are made of zeros only. Treatment of death and right censoring are described in detail in Online Appendix A.3.

Our baseline econometric analysis considers the sample of individuals with full spells: those with recorded deportation or migration date in the Resident List, corresponding to row (5). We call it the full-spell sample, in short F sample, made of 173,816 adults. In the robustness analysis, we extend the estimation to adults with censored spells as well, adding the 83,959 individuals who can be matched with the 1939 census but have no migration year or deportation information in the Resident List, corresponding to row (6). We also add 16,624 individuals who died before 1939 and those who were expelled to Poland in 1938/39, corresponding to row (7). Adding such partial spells, we get to our full-and-partial-spell sample, in short FP sample: 274,399 out of the 343,560 adults. Because many individuals miss information after 1939, the FP sample can be used for estimation purposes only over the 1933–1938 subperiod, while the F sample can be used over the entire 1933–1941 period.

iv. Jewish Ethnicity in Estimation Samples. We investigate in Online Appendix C.1 whether the estimation samples mainly consist of people at risk of being persecuted, that is, those identified as ethnic Jews by the Nazi authorities. We find that 97.5% of individuals in the F sample that we can match with the census of 1939 (migrants and deportees still present in Germany at that date) unambiguously meet the Nuremberg Laws criterion for Jewishness (three or four Jewish grandparents). As such, they were clearly in danger of Nazi persecution. In the FP sample, 77.5% of individuals meet this criterion. The remainder had two or fewer Jewish grandparents. Jews with a single Jewish grandparent were citizens of the Reich (considered non-Jews),

19. In the robustness analysis, we also adopt the legal definition of adulthood by restricting the sample to individuals above 21 (see Online Appendix Table G17).
whereas those with two Jewish grandparents were considered citizens if they were “culturally assimilated.” Depending on their classification, these individuals could be subject to various anti-Semitic measures, including economic restrictions, forced labor, and deportation. Whether these individuals should be included in the population at risk in our econometric analysis is an open question that ideally should be addressed on a case-by-case basis. In the absence of a definitive answer to this difficult question, it reinforces the case for using the FP sample for robustness analysis (F sample being the baseline).

v. Validating the Quality of the Resident List and Estimation Samples. Working with historical data sets comes with a necessity to deal with data imperfections. A particular feature is probably that a large part of the information that would ideally be needed has been lost over the years (during the war of course, but also later). This “missingness” problem is of concern if it implies a selection bias, where the individuals with nonmissing data would exhibit specific characteristics and behaviors. Since our goal is to provide estimates and counterfactuals for the entire population at risk, we investigate in Online Appendices B and C the existence of systematic patterns in data missingness. Most notably, we run a number of balancing tests making use of two alternative sources of historical data, the census of 1925 and The Encyclopedia of Jewish Communities in the German Language by Alicke (2014), which are both independent of the Resident List. Overall, the results suggest that the CRL and our baseline estimation sample provide a representative coverage of the population of ethnic Jews living in Germany in the 1930s. In addition, in Section V we conduct a number of robustness checks to test the extent of potential biases due to data selection.

II.C. Descriptives of Migrants and Deportees

We next describe several regularities observed in our data that are related to the characteristics of migrants and the aggregate migration flows. These descriptive statistics give a first idea of the broad patterns of Jewish migration. They can be regarded as a further validity check of our data in light of some of the well-known facts that the historical literature has documented. Migrants represent 69,677 out of the 173,816 adults in the F sample (rows (5′) and (5) of Table I). (i) Compared with nonmigrants, migrants were on average younger (by almost 10 years) and more
likely to be male (17 percentage points, see Online Appendix Table G3). (ii) Few individuals migrated in the early years of Nazi rule, whereas after 1941 it was almost impossible to emigrate (Online Appendix Figures G2 and G3). (iii) Jews initially migrated to neighboring countries, such as France and the Netherlands, with a false sense of security. About 11% of all emigrants were later deported (Online Appendix Table G3). The risk of getting deported was significant for those who migrated to neighboring countries. For example, about 50% of the Jewish migrants in the Netherlands were eventually deported (Online Appendix Table G12). As a result, after the war broke out in 1939, as the danger of German occupation in proximate countries increased, Jews fled to faraway destinations, such as the United States, Shanghai, or Argentina (see the top 10 destinations for each year in Online Appendix Table H3). 20 (iv) Before the November pogroms of 1938, incidents of persecution as measured by detainment (Schutzhaft) were relatively rare events. However, persecution increased dramatically during and after the Kristallnacht (see Online Appendix Figures G6 and G7). (v) The largest number of people were deported in 1941, 1942, and 1943 (see Online Appendix Figure G9). (vi) Deportation was a death sentence. The median year of death for deported Jews is 1942. Based on incomplete information on the fate of individuals, we estimate that about 10% of deported individuals survived (see Online Appendix Table G4). Overall, the stylized facts based on our individual-level data set depict a similar picture as earlier historical studies relying on other, more aggregate sources of information (in particular Rosenstock 1956).

### III. Social Networks: Role and Measurement

Based on our reading of the historical literature on migration and communication about persecution in the German Jewish community, we hypothesize that in a situation of political violence, social networks can affect outmigration decisions through two channels:

i. **Threat Effect:** Social networks in the origin country (here, Germany) aggregate available information on the

20. See Online Appendix Figure G4 for the total migration by destination country over the entire period from 1933 to 1945. As we cannot observe important country-level characteristics, such as GDP per capita, of Shanghai, we attribute migration flows of Shanghai to China.
extent of persecution. These information spillovers affect the incentives to outmigrate. The direct exposure of an individual to violence and persecution might be limited (e.g., until 1938 being taken into protective custody was rare—less than 1% of the Jewish population, see Online Appendix Figure G7), and public information in the radio or newspapers might be unavailable, or at least partly unreliable because of propaganda. Thus, individuals can extract information about the actual threat to their lives by observing the extent of persecution of their peers. We therefore expect an individual to be more likely to outmigrate if her peers were persecuted. We label this the threat effect.

ii. Migration Spillovers: A larger number of peers who emigrate increases an individual’s incentives to migrate out. On the one hand, this is the result of an expanding network in each destination country, which facilitates future emigration to this specific country. For example, peers abroad can provide private information about returns to skill in the destination country. They can also help with legal or logistic procedures in the visa process, facilitate finding a job and housing, and lower assimilation costs. We label this component of the migration spillover the diaspora effect. Empirically, it has been well established in many different contexts that larger diaspora networks in destination countries pull migrants to that country (e.g., Munshi 2003; Beine, Docquier, and Özden 2011; Spitzer 2021). Importantly, besides the diaspora effect, we identify an additional and novel channel through which peers’ migration increases outmigration incentives in a situation of violence. As peers migrate out, the network in the origin country shrinks. We label this the exodus effect, and it has two components. First, the fall in the size of the community leads to fewer business opportunities with group members and a depreciation of wages. It also comes with fewer in-group amenities and social connections. Moreover, it might result mechanically in more persecution (i.e., statistical targeting) of the remaining members of the group. Second, the observation of peers’ migration can give a signal about the threat, as individuals can filter out the economic motives behind their peers’ migration decisions. Thus, the migration of
family members or friends provides credible information about the danger of staying in Germany. We view this exodus effect as operating mostly when violence is pervasive and population displacement becomes substantial.

To fix ideas, think of a person called Jakob fleeing Germany to the United States. Jakob’s migration not only increases the future likelihood that his friend Elisabeth also moves to the United States (diaspora effect) but also increases the likelihood that she moves to a country other than the United States, for example, Palestine (exodus effect). This illustrates how information on destination choices included in the Resident List can be used to discriminate between the diaspora and exodus effects. Migration of peers to a given country increases future migration only to that country according to the diaspora effect, but to all destinations according to the exodus effect.

1. Measurement of the Social Networks and Identification. Our key econometric challenge is to identify whether past detainment and migration of peers causally influence the outmigration decision of an individual. We might observe a (spurious) correlation between these variables even in the absence of peer effects. This arises especially when individuals face a common environment and are exposed to the same time-varying shocks that affect simultaneously the migration incentives of an individual and her peers.

To address these so-called correlated effects, we restrict the construction of social networks to Distant Peers. We code as distant peers of an individual $i$ all the individuals: (a) covered in the Core Resident List (so they are Jewish themselves); (b) born in the same city of birth as $i$; (c) within the same age bracket as $i$ ($\pm 5$ years); and (d) living in a different city of residence than $i$ and at least 5 km away from the city of birth.21

21. To fix ideas, let us take the illustrative example of four individuals, A, B, C, and D. They are all present in the Resident List, therefore satisfying criterion (a). They are all born in the same city, Frankfurt, satisfying criterion (b). They are all born within five years of one another, satisfying criterion (c). At some point, B moved to Berlin, C moved to Hamburg, and D moved to Munich, while A stayed in Frankfurt. Based on criterion (d), the distant peer network of individual A will be composed of all peers who moved to another city that is more than 5 km away from the city of birth: individuals B, C, and D. For individual B, it will be composed of individuals C and D; for individual C, it will be composed of individuals B and D;
This focus on distant peers excludes family members, such as spouses and children, from the list of peers, who are likely to decide jointly and (at least try to) comove. The maps featured in Figure I illustrate two examples of distant-peer networks observed in our data. Panel A displays the network of an individual born in Stuttgart in 1912. Her network is composed of all individuals born in Stuttgart in a five-year window around 1912 and who have moved out of Stuttgart at some point: 53 distant peers that live in 32 cities of residence. Panel B displays the network of another individual who was born in Bonn in 1893 and who moved to Stuttgart at some point, where she lived during the Nazi period. Her network consists of all individuals also born in Bonn in a five-year window around 1893 and who have moved out of Bonn to a city different than Stuttgart: 52 distant peers who live in 27 cities of residence. Comparing the two maps, we see that the two networks exhibit different spatial patterns that essentially reflect spatial clustering around the city of birth.

Our approach regarding the influence of social networks therefore rests on two assumptions:

A.1. Social ties are created between Jewish people who were born in the same city and are of comparable age (criteria (b) and (c)). We view this as a reasonable assumption given the historical context, as the social relationships of Germany’s Jews were concentrated in Gemeinden. These Jewish communities were cohesive, relatively small, and spatially concentrated in most cities (the median community comprises 365 adults, see row (1) of Online Appendix Table G2). Even in large cities, Jews were living in similar neighborhoods, and they socialized in the community, for example, in the synagogue, in Jewish associations, and in schools and shops. Later in the analysis, we run a robustness test where the largest and smallest cities of birth are sequentially dropped from the sample (Online Appendix Table G26).

A.2. At least parts of the social ties created during childhood persist in the long run and are robust to spatial mobility for individual D, it will be composed of individuals B and C. Excluding individual A from the peer networks of B, C, and D when building network variables is intended to abstract from the pull and push shocks experienced in Frankfurt (and therefore by individual A), which can simultaneously cause the migration of individuals B, C, and D.
This figure shows the distant-peer networks of two individuals both residing in Stuttgart in the period of our investigation. Panel A displays the network of a person born in Stuttgart in 1912. Panel B displays the network of a person born in Bonn in 1893 who later moved to Stuttgart.
Evidence from social network studies suggests that a substantial part of links survives even after relocating. The strength of ties matters naturally. Family ties survive greater distances than friendships, which survive more often than networks with work colleagues, and so on (Fischer 1982; Larsen, Axhausen, and Urry 2006). Moreover, survival of long-term relationships is favored in particular when individuals do not invest sufficient time in extending their local networks—as is the case for people who relocate often (Viry 2012). A limitation in our construction of social networks is that we cannot distinguish between kin/nonkin or strong/weak ties; nor can we observe which ties survive when an individual moves to another city.

Our identification strategy exploits variations in the spatial distribution of distant peers across individuals. We compare outmigration choices between decision makers who live in the same city of residence but have different distant peers because they originate from different cities of birth and/or they were born in different years. Crucially, those distant peers themselves are exposed to push and pull factors in their own city of residence that are exogenous to the decision makers: (i) pull factors, such as connections to foreign countries, and (ii) push factors, notably related to the degree of persecution. Together, local push and pull factors create spatial variation in outmigration of distant peers across cities, which we later use for identification in our estimation framework. As an illustration of the extent of these spatial variations, Online Appendix Figures G5 and G8 display the distribution of local persecution (i.e., detainment) and outmigration across German cities in 1938.

Online Appendix Table G2 summarizes the characteristics of the distant peer network for the F sample. The average distant-peer network comprises 127 individuals (median = 39), and peers live on average about 268 km apart from each other. We compute

22 As detailed already, detainment was not centrally planned, and the historical literature suggests that it depended largely on the anti-Semitism of the local population and SA members. Indeed, in Online Appendix Table G5, we document a strong positive association between city-level detainment based on our individual-level data and measures of anti-Semitism taken from Voigtländer and Voth (2012). The idiosyncratic nature of detainment leads to time-varying variations in persecution across cities of residence.
cumulative migration and persecution rates among distant peers only for decision makers whose distant peer network comprises at least five people. Cumulative network detainment rates take into account persecution from 1933 up to year \( t \) while cumulative network migration rates exclude observed network outmigration in year \( t \) (including migration from 1933 up to year \( t - 1 \)) to abstract from potential joint decisions taken by decision makers and their peers in year \( t \). Empirically, we measure persecution by incidences of detainment (Schutzhaft). Because detainment was a rare event, the average cumulative detainment rates were low, starting from about 0.1% in 1933 reaching 5.4% in 1941. At the beginning of the period, cumulative network migration was similarly low, with on average only 4.9% of distant peers having migrated by the end of 1933. The share of distant peers that left Germany increased to 41.8% by the end of 1941. The average network migration rate from 1933 to 1941 is 21.7%.

2. Characteristics of Distant Peers. Distant peers are movers, that is, individuals who have moved out of their city of birth to a city in Germany at some point in their lives. Of all adults in the F sample, 65.9% are movers, corresponding to 114,580 individuals (see Online Appendix Table G2). In Online Appendix C.3, we compare the characteristics of movers with those of other individuals in the estimation samples (decision makers). Our tests show that city-of-residence characteristics are well balanced between the two groups. This provides evidence against strong selection bias regarding our network variables of interest, which exploit variations across cities of residence of distant peers. However, movers were on average born in much smaller cities. This feature suggests one robustness check: excluding from the estimation sample all individuals living in cities with large Jewish communities (e.g., Berlin) or excluding small communities in birth cities (Online Appendix Table G26). In terms of individual characteristics, our balancing tests show that movers differ from the rest of the population. To address this concern, we run a robustness check where we restrict our analysis to movers as decision makers (Online Appendix Table G27).

IV. OUTMIGRATION AND SOCIAL NETWORKS: PRELIMINARY ANALYSIS

In this section, we conduct a reduced-form analysis of the data. We put relatively more emphasis on the threat effect in migration decisions, namely how the persecution of peers affects
migration incentives. The in-depth analysis of the two migration spillovers (exodus and diaspora) relies on the construction and estimation of a structural model. Thus, it is relegated to Section V, together with our instrumentation strategy and robustness analyses.

IV.A. An Empirical Model of Outmigration

The structure of our data naturally calls for a discrete-time duration model of the migration decision. Section II.B.2 explains how we transform individual-level migration information into spells, where each person can outmigrate once. That is, our outcome of interest, Migrate\(_{it}\), is a series of zeros until it takes on the value one in the year \(t\) in which individual \(i\) migrates (should he/she do so). In the year \(t + 1\) after the migration occurs, the individual exits the sample. Individuals also exit the sample when they no longer have the capacity to act as decision makers, that is, after they were deported or after their known date of death. This also means that the econometric model excludes the alternative of reentering in Germany in \(t + s\) to an individual who has migrated out of Germany in \(t\).\(^{23}\) We study migration decisions from 1933 until 1941, since after October 1941 emigration was officially forbidden. This leads to the following specification, where the unit of observation is an individual \(i\) living in city \(r\) with network \(n(i)\), at time \(t\):

\[
\text{Prob}[\text{Migrate}_{it} = 1] = \Phi[\mu \times \text{Mignet}_{ni} + \gamma \times \text{Detainment}_{ni} + \mathbf{X}_{it}' \delta + \text{FE}_{rt}],
\]

where \(\Phi\) is a functional form that depends on the estimation procedure. Equation (1) can be estimated with a logit model; a complementary log-log model (Cloglog), which is particularly well adapted for dealing with discrete-time duration models (Cameron and Trivedi 2005); or a linear probability model (LPM). Although the nonlinear estimators are preferable given our data structure and structural model (detailed in the next section), LPM offers

\(^{23}\) We believe that it is a reasonable assumption in our context as the migration inflow of Jews in to Germany in the 1930s is negligible. According to Niederland (1993), between 1933 and 1935 only about 10% of migrants returned to Germany; when in 1935 German authorities started to place returning migrants in training/concentration camps, return migration decreased substantially (Strauss 1980).
several advantages: ease of dealing with high-dimensional fixed effects, allowing for a rich clustering structure, and transparent interpretation of the coefficients of interaction terms. We report LPM estimation results in Table II. The nonlinear estimations, which yield comparable results when expressed in terms of marginal effects, can be found in Online Appendix Table G8.

Our first main variable of interest is $M_{n(i)t}$ which measures the post-1933 share of distant peers who had already left Germany (strictly) before time $t$. Its coefficient $\mu$ captures the joint influence of the two migration spillovers, namely, the exodus and diaspora effects, whose respective contributions will be disentangled when estimating the structural model. Our second variable of interest is detainment among network members, $D_{n(i)t}$, which we define as the share of distant peers that were detained until year $t$ (included). The coefficient $\gamma$ captures the threat effect that we expect to be positive. We control for a vector of individual characteristics $X_{it}$, comprising gender; age and its square; an indicator for whether the person was born outside of Germany; and an indicator for whether the person was ever detained herself, in the past or in year $t$.24 Given that by construction network migration is set to zero in 1933 ($M_{n(i)1933} = 0$), the individual choice to migrate in 1933 is driven by peers’ detainment, individual characteristics, and fixed effects.

Importantly, our specifications take into account city-of-residence fixed effects that capture local geographical and cultural features, such as the clustering of Jewish populations in some cities/areas of Germany (in particular in the west of Germany, see Online Appendix Figure A1), differences between rural versus urban places, larger share of secular Jews in urban localities (Kaplan 2005, 250), and distance to borders and emigration facilitators (like visa offices, counseling centers of the Hilfsvereins der Deutschen Juden). In most specifications, the vector $F_{rt}$ corresponds to city-of-residence $\times$ year fixed effects that absorb all time-varying local push and pull factors affecting coresidents of a city, such as local outbreaks of persecution and violence or adverse economic shocks. With more than 1,700 cities of residence, and over 15,000 city of residence $\times$ year combinations, the estimation of fixed effects is extremely demanding from the data.

24. Those and additional variables used in the empirical analysis are described in Online Appendix E.
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</tbody>
</table>

Notes: LPM estimation with the dependent variable being an indicator for migration in year $t$. The unit of observation is an individual in year $t$. The sample consists of individuals who were at least 16 years old in 1933. All continuous variables in interactions are demeaned. Detainment of network members measures the cumulative share of network members that have been detained until year $t$. All regressions control for age, age squared, gender, and a dummy for whether the individual was born outside Germany. Column (1) controls for year fixed effects; columns (2)–(7) control for city-of-residence × year fixed effects. Standard errors clustered at the city-of-birth × year are in parentheses. * $p < .10$, ** $p < .05$, *** $p < .01$. 

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The model is estimated on the F sample. Because the construction of the network of distant peers is based on the city of birth, standard errors are clustered at the level of the birth city × year. Equation (1) is a particular case of the canonical empirical network setup (Bramoullé, Djebari, and Fortin 2009) where the outcome variable is affected by peer mean outcome (i.e., endogenous network effects), here \( M_{n,t} \). The estimation challenges have been extensively discussed in the literature and, in our case, pertain to correlated effects, namely, shocks that affect the migration incentives of both the individuals and their peers. We believe that most of the concern is alleviated thanks to restricting the construction of social networks to distant peers and controlling for a fine-grained structure of fixed effects. However, we go one step further in Section V by using exogenous shifters of peers’ past migration in instrumented regressions.

Table II reports the LPM estimation results of equation (1). Among the vector of individual controls, \( X_{it} \), we only report the coefficient for the ever-detained indicator since it is later interacted with another variable; unreported coefficients for other control variables can be found in Online Appendix Table G9. Control variables show very stable effects across specifications. As expected, young male individuals are more likely to migrate (a pattern observed in many outmigration contexts). Foreign-born individuals are not found to be more (or less) prone to outmigration in a robust way. The ever-detained indicator displays a stable significantly positive effect on the outmigration probability (compared with individuals who were not taken into custody).

The first two columns of Table II report results for two different sets of fixed effects. In column (1), we only include year fixed effects with the idea of validating our main findings with a minimal set of fixed effects. Column (2) considers the full battery of city-of-residence × year fixed effects. Column (1) explicitly controls for a first-order local push factor (absorbed in the fixed effects in column (2)), namely, city-of-residence-level persecution, measured by the cumulative share of coresidents who were detained in city \( r \) until year \( t \). As expected, we find a positive and statistically significant effect of city-level persecution on outmigration. This finding is particularly relevant for our instrumental variable setup in Section V that exploits the link between detainment and migration in

25. See Online Appendix Table A4 for a breakdown of the sample cuts from the F sample to the observations used in the regressions.
peers’ cities of residence. Estimated effects on the other variables are remarkably comparable across the two specifications.

Going to our main variables of interest, network migration and network detainment both display a positive effect on the outmigration probability that is significant at the 1% level. We interpret this finding as supportive evidence for the migration spillovers and the threat effect. In column (2), the magnitude of the migration spillovers is as follows (a breakdown along the exodus/diaspora categories is provided in Section V.C): a one standard deviation increase in migration of network members (0.16) translates into a 1.2 percentage point increase in the annual migration probability (22% of the sample mean). Regarding the threat effect, a one standard deviation increase in peers’ past persecution (0.043) increases the annual migration probability by 0.18 percentage points (3.3% of the sample mean). As a way of comparison, personal detainment has a quantitatively larger effect: having been detained in the past increases the migration probability by 2.1 percentage points (38% of the sample mean). Note that these numbers should be interpreted conservatively. Indeed, given the reduced-form nature of the regressions, our quantification exercise can only reflect the static and partial impact on the migration probability of the explanatory variables under consideration. Their full impact, which relies on dynamic externalities, will be assessed thanks to the counterfactual simulations of the structural model in Section VI.

IV.B. Interpreting the Threat Effect: Learning

Which individuals react more to new information on persecution? We expect people to update more strongly their beliefs about the level of threat and danger of staying in Germany if information about the victimization of their peers comes as a surprise. For example, detainment of peers elsewhere provides new information for people who live in localities where anti-Semitic sentiments are low or for secular people.

To study learning, we estimate heterogeneous effects of peers’ persecution by interacting detainment of network members with characteristics at the individual level (identity and personal experience of persecution), characteristics at the level of the city of residence (historic anti-Semitism, and size of the local Jewish community), and characteristics of peers. Our empirical hypothesis
is that a larger observed behavioral response, measured in terms of outmigration propensity, reveals a stronger belief updating.

In Table II, column (3), we study the interaction effects with the Jewish Name Index (JNI), a proxy for how integrated an individual’s family was to the German society based on the first name of an individual. We interact network detention with an indicator for whether the Jewish Name Index is above the median of the distribution. The coefficient on this interaction term is negative and statistically significant. It shows that individuals with a more German-sounding first name tend to respond more to their peers’ victimization. This is in line with anecdotal evidence that secular Jews who identified strongly with German society were more likely to underestimate the level of actual threat (Nicosia and Scrase 2013; Heusler and Sinn 2015). Under this interpretation, those people were more likely to update substantially their beliefs when observing detention in their network and therefore reacted more strongly to this information. The main effect of a more Jewish-sounding name is also negative—an explanation could be that individuals with a higher JNI were less educated (see Online Appendix Table G7), and therefore likely to have had fewer means to outmigrate. Our interpretation that behavioral responses are attenuated by prior awareness of the danger is further strengthened by column (4), in which we document a negative interaction between peers’ detention and personal detention: individuals who were themselves detained in the past respond less to their peers’ persecution. Those two interaction effects are very similar when estimated in the same regression (column (5)). Finally, in columns (6) and (7), we split the sample into a period before and after Kristallnacht (pre/post-1938). We find that the effect of network detention

26. The JNI takes on higher values if the first name of the individual is more distinctively Jewish, such as Abraham and Rachel, and lower values if the first name is more distinctively German, such as Otto and Hildegard. “Namings connected families to previous generations and to religious traditions . . . and confronted Jews directly with the vexed issue of tradition versus acculturation as families passed on secular first names—or ‘Germanized’ old Jewish names” (Kaplan 2005, 239). See Online Appendix D for details on the construction of the JNI. In Online Appendix Table G7 we validate that the JNI is highly positively correlated with Jewish ancestry based on a sample of individuals observed in the 1939 census, which recorded the number of Jewish ancestors each person had. Online Appendix Table G6 tabulates the 30 most popular names in the Resident List by gender, along with number of times they appear and their computed JNI.
is significant only in the pre-1938 period. After the November 1938 pogroms, when Jews across Germany realized that staying posed a significant danger to their lives, additional information on persecution coming from the network ceases to be important.

In Online Appendix Table G10, we consider characteristics of residence cities interacted with peers' persecution. The table documents that detainment among network members has a smaller effect on individuals living in cities with a larger local Jewish community. This negative interaction is suggestive of a competition taking place between the local and distant (peers) informational sources: in localities with larger local Jewish communities, individuals could draw on more sources of information. With a larger sample of observations, they are therefore likely to extract a more accurate signal about the threat. It is also likely that in those large cities, individuals were more exposed to extreme (negative) realizations over the distribution of persecution events. Both mechanisms would contribute in large cities to reduce the importance of private information obtained from distant peers. Moreover, the table shows that detainment among network members interacts negatively with city-level anti-Semitism, measured by the occurrence of a pogrom in medieval times, or the vote share for the Nazi Party in the 1928 election. The negative interaction between detainment and anti-Semitism is again interpreted as a surprise effect: in cities where historical and recent anti-Semitism are ingrained in the collective memory of the local community, information about persecution coming from distant peers comes less as a surprise.

In addition, in Online Appendix Table G11, we investigate how peer characteristics affect the learning process. The table documents that individuals react more to information from peers living at a greater distance, in line with the idea that private information from further-away places provide new information about the level of threat in addition to what the individual can observe locally. We also explore the importance of homophily in behavioral responses to the victimization of peers. The findings show a stronger reaction of individuals to detainment among their peers who are culturally similar to them, that is, have first names close to theirs in terms of JNI, which indicates strong homophily in the behavioral response to the persecution of peers.
V. A Structural Model of Outmigration Under Violence

In this section, we dig deeper into how past migration of peers affects current migration incentives. In particular, we distinguish between the two network effects that drive migration spillovers, the diaspora and exodus effects. As explained already, using the information on the destination chosen by migrants is key for discriminating between those. To this end, we build on a random utility model of migration with network spillovers and estimate it in a nested logit setup (the full details of the model are displayed in Online Appendix H). The structural model also serves the purpose of simulating counterfactual policies in destination countries (which we do in Section VI).

The nested logit model is a natural framework for the data at hand: we observe migration decisions as a binary outmigration choice repeated every year between 1933 and the year of exit for migrants and 1941 for the stayers. Conditional on deciding to migrate, we observe the discrete choice of a destination country. The overall decision process therefore comes in with a hierarchical structure of discrete decisions that the nested logit model was designed to fit. Outmigration is considered as a definitive exit—an assumption supported by anecdotal evidence (see note 23). Our analysis considers a repeated static choice, in the sense that individual migration decisions do not factor in the expected future realizations of relevant migration determinants.27 Finally, our setup does not model the general-equilibrium feedback effect of migration on economic activity, neither in the origin country (Germany) nor in the destination countries. Besides gaining in tractability, this modeling choice can be justified in light of the historical context of the 1930s: the Jewish community in Nazi Germany represented less than 1% of the overall population. Similarly, in our data, inflows of German

27. We abstract from sophisticated forward-looking strategies where individuals, in spite of their high willingness to emigrate, would postpone their movement to free-ride on the migration effort of their peers (e.g., let them migrate first to a destination country \( d \) and then settle afterward in the same destination to benefit from their experience, support, and help to lower migration frictions). Such a beachhead effect is conceptually appealing but comes at the cost of bringing additional elements of complexity without a clear gain in terms of empirical relevance. Although these strategic elements may have played a role in the long-run dynamics of migration in other less violent contexts, historical records do not emphasize that it played a first-order role in the post-1933 Jewish migration where the time constraint was binding and persecution risk was high.
migrants were small in comparison with the destination countries’ populations.

V.A. The Nested Random Utility Model of Migration

The random utility model applied to migration decisions starts with a specification of utility, $U_{idt}$, enjoyed by an individual $i$ when located in country $d \in D$ in year $t$ (the choice set $D$ includes Germany as well as all potential destination countries). Each individual selects the destination $d^*$ that maximizes her utility: $d^* = \arg\max_{d \in D} U_{idt}$. With appropriate assumptions described below, we can decompose the choice into two “sequential” nested decisions: first whether to stay in Germany, nest $B_s = \{\text{DEU}\}$, or migrate to a country belonging to nest $B_m = \{\text{USA}, \text{GBR}, \text{FRA}, \ldots\}$. In a second step, one must decide in which destination $d \in B_m$ to settle. The decision to stay in Germany or to migrate is referred to as the upper-level model, while the destination choice is called the lower-level model.

There are two types of observable components in the utility function. The upper part component, $W_{ikt}$, varies across nests with $k \in \{s, m\}$. The second component, $V_{rbd}$, varies across alternatives $d$ within the nest:

$$U_{idt} = W_{ikt} + V_{rbd} + \epsilon_{idt}, \quad \text{for } d \in B_k.$$  

We interpret $\epsilon_{idt}$ as the unobserved costs and benefits of emigration to destination country $d$ for individual $i$ in a specific year. For a given individual, part of that random component of utility is destination specific (e.g., whether speaking the language of $d$). Part of the error term is likely to be correlated across all foreign

28. Because our data lack predictors of destination choices that would vary at the individual level, we work with an aggregated version of the model using the main characteristics we have on individual $i$: place of birth $b$ and last known place of residence $r$. We therefore aggregate migration destination choices at the city-of-residence $\times$ city-of-birth level. This yields a (triadic) gravity equation that still allows structural estimation. For the upper-level model, we can perform estimation at the individual level. The different aggregation levels involved in different steps of estimation make it natural to proceed with sequential regressions. A well-known disadvantage of such procedure applied to nested logit is that although it retains consistency, it is not as efficient as a joint estimation (Train 2003).
destinations $d \in B_m$—for instance, how portable the skills of $i$ are but also how financially constrained she might be.

Given that $B_s$ is a singleton (all potential migrants initially live in Germany), the upper-level decision is a binary choice, and only relative levels of determinants to migrate out of Germany matter. This means that we can normalize without loss of generality $V_{rDUElt} = 0$. For foreign destinations, $d \in B_m$, the lower-level observed part of utility for an individual born in $b$ and living in $r$ is assumed to take the following form:

\begin{equation}
V_{rbdt} = A_{dt} - \ln \tau_{rdt} - \ln \tau_{bdt} + \alpha_1 \times \text{Diasp}_{rdt} + \alpha_2 \times \text{Diasp}_{bdt},
\end{equation}

where $A_{dt}$ represents the overall (log) attractiveness of destination country $d$ (e.g., economic prospects)—a component that is estimated in our empirical analysis with destination $\times$ year fixed effects. The $\ln \tau$ terms correspond to migration “frictions” that we can either observe or capture with fixed effects (e.g., distance to the border, availability of sea and ground transports, administrative efficiency). The first component is related to the easiness to move from city of residence $r$ to country $d$. The second component allows for individuals born in different towns $b$ to have access to varying levels of information about country $d$ and to exhibit different levels of “proximity” with it. Note that those frictions are modeled ad valorem, that is, they shift down the utility from traditional determinants in a proportional manner ($\tau > 1$). Finally, the Diasp terms correspond to our measure of peers living in destination $d$ at time $t$ (the exact functional form used for those variables is detailed in Section V.B). We expect $\alpha > 0$, since the empirical migration literature has extensively documented the positive effects of the existing set of migrants on later migration (which inspired a very large set of papers using Bartik instruments to predict migration shocks).

Turning to the upper-level component of utility, we start by noting that since the outmigration decision is a simple binary choice between Germany and the rest of the world, only relative

\footnote{It is typical in models featuring endogenous migration to model $A_{dt} = \ln \left( \frac{M_{d} \cdot w_{dt}}{P_{dt} \cdot \theta} \right)$, where $M$ measures amenities of $d$ and $\frac{w_{dt}}{P_{dt}}$ is the real wage, with $\theta$ being the share of nontradables in the consumption basket. Since we will not model the general-equilibrium effects of Jewish migration in destination countries, we can let $A_{dt}$ capture all relevant determinants, seen as exogenous from the point of view of prospective migrants.}
levels of covariates matter, and we need to specify them only for one of the alternatives. The utility of individual $i$ who decides to stay in Germany in time $t$ is therefore affected by the component $W_{i\text{DEU}}$, specified as:

\[
W_{i\text{DEU}} = -\beta \times \text{Mignet}_{n(i)t} - \gamma \times \text{Detainment}_{n(i)t} + \mathbf{X}'_i \delta + \mathbf{FE}.
\]

The variable $\text{Mignet}_{n(i)t}$ measures the post-1933 share of peers who had already left Germany (strictly) before time $t$. It differs from the diaspora variable in the lower-level decision, equation (3), in one key aspect: it encompasses all possible destinations. We expect $\beta > 0$ because the total accumulation of departures in an individual’s network should affect negatively her utility of staying in Germany. This feedback effect is our empirical measure of the exodus effect. It is important to note here that although past migration flows of peers appear in the lower and upper levels of the decision, both diaspora and exodus effects are clearly identified. Intuitively, in the lower level, it is the share of individuals having chosen each destination $d$ relative to other countries that creates the diaspora effect. Identification stems from comparisons across destinations within migrant peers. At the upper level, what matters for identifying the exodus effect is the number of peers left relative to the initial stock of Jews who were susceptible to emigrate from Germany (which does not feature in the lower-level estimation). As defined earlier, the second variable of interest in equation (4), $\text{Detainment}_{n(i)t}$, corresponds to the share of peers who were detained until year $t$. We expect its coefficient $\gamma$ to be positive (threat effect). The vector $\mathbf{X}'_i$ represents a set of observable individual-level characteristics that influence the utility of staying in Germany. Finally, $\mathbf{FE}$ corresponds to a battery of fixed effects that varies across specifications. Particularly, we can include city-of-residence $\times$ year fixed effects that crucially capture all the local push and pull factors that are common across individuals living in a given city. The richness of our individual-level data therefore allows us to control for a very broad spectrum of local differences that pushed Jews to emigrate.

As in Anderson, De Palma, and Thisse (1992), Train (2003), and Cameron and Trivedi (2005), we characterize the nested choice as two logit equations. Assuming that $\epsilon_{idt}$ follows a generalized extreme value (GEV) distribution, the probability of choosing a foreign destination $d \in B_m$ is decomposable into the product of conditional and marginal probabilities: $\text{Prob}_{idt} = \text{Prob}(d|mig_{it})$.
\( = 1 \) \times \text{Prob}(\text{mig}_{it} = 1). The conditional probability of choosing a given destination (lower-level model) can be written as:

\[
\text{Prob}(d \mid \text{mig}_{it} = 1) = \exp\left( \frac{V_{rbd}}{\lambda_2} - I_{rbt} \right),
\]

with \( I_{rbt} \equiv \ln \sum_{d' \neq \text{DEU}} \exp\left( \frac{V_{rbd'}}{\lambda_2} \right). \]

(5)

The log-sum term \( I_{rbt} \) is also called the inclusive utility, since \( \lambda_2 I_{rbt} \) is the expected utility of being able to choose among all options at this level of the choice, destination countries in our case (Anderson, De Palma, and Thisse 1992; Train 2003).

The marginal probability of choosing nest \( B_m \) and outmigrating (upper-level model) takes the following logit form:

\[
\text{Prob}(\text{mig}_{it} = 1) = \frac{1}{1 + \exp\left( \frac{W_{\text{DEU}} - \lambda_2 I_{rbt}}{\lambda_1} \right)},
\]

where it is immediate that the set of utility determinants making Germany more attractive to \( i \) \( (W_{\text{DEU}}) \) reduces the migration probability, while the inclusive utility term \( (\lambda_2 I_{rbt}) \), which summarizes all the relevant information coming from the possibility of choosing one of the destination countries, increases it.

As explained in detail in Online Appendix H.1, parameters \( \lambda_2 \) and \( \lambda_1 \) play several critical roles in our model. From the GEV assumption, \( \lambda_1 \) and \( \lambda_2 \) capture respectively the between-nest and within-nest heterogeneity of the error term. An important theoretical requirement is \( \lambda_2 \leq \lambda_1 \) for the model to be consistent with utility maximization for all possible values of the explanatory variables (Anderson, De Palma, and Thisse 1992). With \( \lambda_2 = \lambda_1 \), the shocks are totally uncorrelated within a nest, and the model collapses to the standard multinomial logit where all choices are at the same “level.” From equations (3) and (5), we see that \( \frac{1}{\lambda_2} \) is also the elasticity of attractiveness of a destination country to both its expected real wage and migration costs. Following the same logic, \( \frac{1}{\lambda_1} \) is the elasticity driving the response to all determinants of outmigration in the upper-level choice: both
upper-level variables $W_{I_{DEUT}}$ and the expected maximum utility of migration $\lambda_2 I_{rbt}$.

We now discuss how we turn the structural equations (5) and (6) into an econometric estimation. As a first step, we obtain the empirical counterpart of (5) by measuring at the $rbt$-cell level the share of migrants who fled to $d$ rather than to another country outside Germany. Following this logic and combining equations (3) and (5), we obtain a triadic gravity regression for the expected share of $rb$ migrants going to a specific country $d$ as:

$$E\left[ \frac{\text{mig}_{rbdt}}{\text{mig}_{rbt}} \right] = \exp\left( FE_{dt} - \tilde{\rho}_1 \ln \text{dist}_{rd} - \tilde{\rho}_2 \ln \text{dist}_{bd} + \tilde{\alpha}_1 \text{Diasp}_{rdt} + \tilde{\alpha}_2 \text{Diasp}_{bdt} + FE_{rbt} \right),$$

where $\text{mig}_{rbdt}$ is the yearly flow of migrants from cell $rb$ to country $d$ and $\text{mig}_{rbt}$ is the yearly total outflow from $rb$. The variable $\text{Diasp}_{rdt}$ captures the cumulative flows of individuals from $r$ who have migrated to $d$ until year $t - 1$; the one-year lag is aimed at mitigating simultaneity bias. The measurement of $\text{Diasp}_{bdt}$ follows the same logic. Empirically, we proxy the migration frictions with geodesic distances, such that $\ln \tau = \rho \ln \text{dist}$. The tilde on

30. An alternative presentation of the nested logit model, featured in Train (2003) and Cameron and Trivedi (2005) for instance, imposes $\lambda_1 = 1$. In most cases, this normalization is natural since $\lambda_1$ and $\lambda_2$ are impossible to identify separately. In our case however, the lower-level equation has a natural variable entering with unitary elasticity in the indirect utility: income per capita of destination countries. This allows separate identification of both parameters, which is important for the counterfactual analysis and the study of complex “substitution patterns.” For example, considering whether a change of attractiveness in one country $d$ diverts migrants mostly from alternatives $d'$ or from Germany will be driven by the values taken by those two parameters.

31. It is important to note that we define the destination as the first emigration destination after leaving Germany. For a small fraction of individuals (8%), the data reports in addition a second destination. Online Appendix G.8 explores the timing of first and secondary migration movements, and the countries concerned. An important finding is that we only observe a few people moving twice in the same year, suggesting that the first destination in our data represents not just a transitory country, but the outcome of a real choice.

32. In our baseline analysis, $\tau_{rdt}$ ($\tau_{bdt}$) is measured with the distance from the city of residence/birth to the closest point along the border of destination $d$, defined as of February 28, 1938. We also allow the distances to have different effects in each year, by interacting (log) distance with the time dummies.
coefficients $\alpha$ and $\rho$ denotes that the structural parameters driving frictions and diaspora effects are divided by $\lambda_2$ when considering the impact on migration flows, that is, $\tilde{\alpha}_1 \equiv \frac{\alpha_1}{\lambda_2}$. There are two sets of fixed effects. The first set, $FE_{dt}$, is defined at the destination $\times$ year level; it captures the attractiveness of each destination country ($FE_{dt} = \frac{A_{dt}}{\lambda_2}$). The second (high-dimensional) set, $FE_{rbt}$, is crucial for alleviating a source of estimation bias coming from what the gravity literature refers to as multilateral resistance (see Head and Mayer 2014 for a survey). Comparing equations (5) and (7) reveals that the latter fixed effects have a structural interpretation as the inclusive utility times $-1$, that is, $FE_{rbt} = -I_{rbt}$. They therefore capture the expected utility from the lower-level decision, by accounting for the fact that once the migration decision is made, individuals from $rb$ at that time $t$ will choose the best destination available outside of Germany. It accounts in particular for the spatial distribution over destinations of people from the community who have emigrated since then. The triadic gravity equation (7) corresponds to our econometric implementation of the lower-level decision model.

We turn to the estimation of the upper-level model that we can estimate as a binary logit of the migration decision at the individual level. To this purpose, we simply start from the logit form in equation (6) that we combine with the observed utility from equation (4):

$$\text{Prob}(mig_{it} = 1) = \Lambda \left( \frac{\lambda_2}{\lambda_1} I_{rbt} + \hat{\beta}_{\text{Migrant}_{n(i)t}} + \hat{\gamma}_{\text{Detainment}_{n(i)t}} + X_{it}' \hat{\delta} + FE \right),$$

where $\Lambda(x) = \frac{1}{1 + \exp(-x)}$, and structural parameters are now scaled by $\lambda_1$, that is, $\hat{\beta} = \frac{\beta}{\lambda_1}$. The inclusive utility $I_{rbt}$ is generated using

33. We restrict the sample to the 35 destinations that belong (at least once in the sample period) to the set of countries that make up 95% of total migration. We use the estimated $\frac{A_{dt}}{\lambda_2}$ fixed effects to estimate the migration cost elasticity in an auxiliary regression. For those fixed effects to be comparable, destinations need to belong to the “largest connected set” (connections occurring because $rb$ cells do send migrants to several countries every year). This restriction reduces the number of destinations further to 29.

34. Throughout the article, for the sake of notational clarity, we do not use a specific notation for distinguishing between a theoretical parameter and its point estimate. The reason is that we reserve the use of hat-notation, $\hat{}$, for denoting a different type of variable, namely, counterfactual changes in Online Appendix I.1.
the right side of equation (5):

\[
I_{rbt} = \ln \sum_{d \neq \text{DEU}} \exp (FE_{dt} - \tilde{\rho}_1 \ln \text{dist}_{rd} - \tilde{\rho}_2 \ln \text{dist}_{bd}) + \tilde{\alpha}_1 \text{Diasp}_{rdt} + \tilde{\alpha}_2 \text{Diasp}_{bdt},
\]

and accounts for all determinants in the expected utility gains of migrating that come from the choices of the destination country. For instance, upward or downward swings in the business cycle of France compared with the Netherlands will be captured in \(I_{rbt}\), since it uses the \(dt\) fixed effects, which capture all potential attractiveness factors common across migrants when choosing country \(d\) in year \(t\). In equation (8), the coefficient on the inclusive utility is \(\lambda_2\). It informs us both about the validity of the decision-tree structure assumed, which is not rejected if the ratio is smaller than one, and on the upper-level outmigration elasticity \(\lambda_1\) (since the lower level gives us an estimate of \(\lambda_2\)).

Our econometric equation (8) uses the structure of the model to distinguish and quantify the three channels of social interactions that we emphasized in the introduction. The threat effect is captured by the effect of \(\text{Detainment}_{n(i)t}\). The exodus effect is measured by the coefficient \(\tilde{\beta}\) on \(\text{Mignet}_{nji}t\), whereas the diaspora effect is channeled through the impact of the lower-level inclusive utility, \(I_{rbt}\). In the counterfactual analysis, the latter two migration spillovers are likely to dynamically amplify the initial effect of a change in the immigration policy of a destination country.

V.B. Lower-Model Estimation

We turn to estimate the triadic gravity model shown in equation (7). The most important variables for our purpose are the ones capturing diaspora effects (\(\text{Diasp}_{rdt}\) and \(\text{Diasp}_{bdt}\)). The literature has followed several routes to measure the effects of previous migrations on current flows. The simplest approach is to consider stock_{d,i,t-1}, the cumulative stock of peers who chose \(d\) until year \(t - 1\), taking logs of the (nonzero) stock to account for the multiplicative nature of the gravity regression. A problem with this approach is that those counts are often zero until a certain date.35

35. This problem of zeros in the diaspora variable is particularly severe in our case, since we work with a high degree of spatial detail (rather than national
Hence, many papers have chosen to measure $\text{Diasp}_{r,dt}$ as $\ln(1 + \text{stock}_{d,t-1})$. This $+1$ can be rationalized by the fact that the potential migrant is considering their own addition to the observed stock of migrants. However, this functional form is distorting the distribution of the variable, in particular when stocks are low. An alternative is to consider the stock of migrants in levels rather than in logs, or its relative level, that is, the cumulative share of migrants from $r$ that chose $d$ until year $t$ (not included):

$$
\text{Diasp}_{r,dt} \equiv \frac{\text{stock}_{r,d,t-1}}{\text{pop}_{r,t_0}} \quad \text{and} \quad \text{Diasp}_{b,dt} \equiv \frac{\text{stock}_{b,d,t-1}}{\text{pop}_{b,t_0}},
$$

where $\text{pop}_{r,t_0}$ is the observed population of Jews in city of residence $r$, measured at the start of the sample (1933) and $\text{stock}_{r,d,t-1}$ is the cumulative stock of Jewish residents that chose $d$ until year $t - 1$. These variables go from 0 (before any peer from the same city of residence or birth has moved to $d$) to (almost) 1 if all peers have already moved to $d$.

The migration gravity literature frequently uses shift-share instruments to address concerns about endogeneity of diasporas. In our setup, this would require some measure of the pre-1933 bilateral Jewish migration stock between each German city and each destination country, which is not available. Given that our analysis uses historical data at a very granular level, there is no easy alternative. However, we see three reasons that, in our case the concern should be limited. First, the rich structure of fixed effects that we allow for should do a good part of the job of filtering out unobserved heterogeneity. In particular, we control for destination $\times$ year fixed effects. The destination fixed effects for 1933 capture the (unobserved) initial stock of diasporas in each destination and more generally the presample attractiveness of a country for the German Jewish community. Hence, the remaining

flows), annual migration flows (rather than commonly used 10-year windows), and a relatively small initial population at risk of migrating. We only include cities-of-residence $r$ and cities-of-birth $b$ if the number of Jews in 1933 living in $r$, or originating from $b$, is positive, and if we have information on the migration date of at least one adult individual from this $rb$ cell for the overall period. The average size of the Jewish community in 1933 in the city of residence, $\text{pop}_{r,t_0}$, is 10,361 people, and the mean of Jewish communities in 1933 in cities of birth, $\text{pop}_{b,t_0}$, is 507. In the end, 45% of the $rbdt$ cell for the overall period display a nonzero diaspora from the city of residence $r$ in year $t$. The figure is 20% for nonzero diaspora cells from the city of birth $b$ in year $t$. 
problematic component pertains to city-to-country attractiveness factors. There, the overall connectivity of a city to the rest of the world is already captured by city-of-residence × city-of-birth × year fixed effects. Moreover, although we have no data on the quality of bilateral transport infrastructure at the city × destination level, we control for distance from cities to each specific destination, which should capture the likelihood of having a good bilateral transport connection between German cities and a specific destination country. Second, existing papers looking at the impact of diasporas on destination choice in migration do not find a major difference between instrumented and noninstrumented results (see Beine, Docquier, and Özden 2011 for instance). Third, we find below that our estimates of the diaspora coefficients are quite close to the ones found in the literature. This fact reassuringly suggests that our estimation is not contaminated by pervasive endogeneity biases.

The triadic gravity model is estimated over the period 1933–1941 on the F sample (see Online Appendix A.3.3 for the construction of the estimation sample). Counts of migrants are summed at the residence-birth-destination-year level to construct the dependent variable in equation (7). An important question is whether the researcher should simply take logs of equation (7) and run OLS, or whether to estimate it in natural form using the Poisson pseudo-maximum likelihood (PPML) estimator. The latter method is more robust to potential heteroskedasticity in the error term, which was shown by Santos Silva and Tenreyro (2006). PPML is also a natural estimator when so many observations have an observed value of zero (in our sample, about 98% of the potential combinations of rb and d have zero migration flows). We present results with both estimators in Table III. As our model recommends, all regressions control for destination × year and city-of-residence × city-of-birth × year fixed effects, which requires the use of high-dimensional panel data estimation techniques. The use of linear multiway fixed effects packages such as reghdfe (Correia 2017) is now standard. The econometric procedure we use for the high-dimensional fixed effect PPML estimation is ppmlhdfe, recently developed by Correia, Guimarães, and Zylkin (2020) for Stata. Finally, standard errors are clustered at the city-of-residence × city-of-birth × year level.

Table III displays the results. Column (1) follows the classical setup of log-linear OLS estimation of equation (7). In this column, the diaspora variable takes the often-used functional form of
<table>
<thead>
<tr>
<th>Dependent variables:</th>
<th>Share migrants (log)</th>
<th>Share migrants &gt;0</th>
<th>Share migrants (log)</th>
<th>Share migrants &gt;0</th>
<th>Share migrants (log)</th>
<th>Share migrants &gt;0</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All cities</td>
<td>Top 100 cities</td>
<td>All cities</td>
<td>Top 100 cities</td>
<td>All cities</td>
<td>Top 100 cities</td>
</tr>
<tr>
<td></td>
<td>OLS (1)</td>
<td>Poisson (3)</td>
<td>OLS (2)</td>
<td>Poisson (4)</td>
<td>Poisson (5)</td>
<td>Poisson (6)</td>
</tr>
<tr>
<td>log (Cumulative # Migrants&lt;sub&gt;rdt&lt;/sub&gt;+1)</td>
<td>0.085*** (0.009)</td>
<td>0.435* (0.233)</td>
<td>0.487** (0.192)</td>
<td>5.250*** (0.205)</td>
<td>5.435*** (0.209)</td>
<td>1.713*** (0.557)</td>
</tr>
<tr>
<td>log (Cumulative # Migrants&lt;sub&gt;bdt&lt;/sub&gt;+1)</td>
<td>0.168*** (0.012)</td>
<td>2.083*** (0.262)</td>
<td>1.315*** (0.209)</td>
<td>5.184*** (0.207)</td>
<td>5.294*** (0.208)</td>
<td>3.614*** (0.609)</td>
</tr>
<tr>
<td>Diaspora&lt;sub&gt;rdt&lt;/sub&gt; = Cumulative Share of Migrants&lt;sub&gt;rdt&lt;/sub&gt;</td>
<td>0.435* (0.233)</td>
<td>0.487** (0.192)</td>
<td>5.250*** (0.205)</td>
<td>5.435*** (0.209)</td>
<td>1.713*** (0.557)</td>
<td>6.268*** (0.716)</td>
</tr>
<tr>
<td>Diaspora&lt;sub&gt;bdt&lt;/sub&gt; = Cumulative Share of Migrants&lt;sub&gt;bdt&lt;/sub&gt;</td>
<td>2.083*** (0.262)</td>
<td>1.315*** (0.209)</td>
<td>5.184*** (0.207)</td>
<td>5.294*** (0.208)</td>
<td>3.614*** (0.609)</td>
<td>9.399*** (0.940)</td>
</tr>
<tr>
<td>(log) Distance&lt;sub&gt;rd&lt;/sub&gt;</td>
<td>−0.073*** (0.013)</td>
<td>−0.096*** (0.011)</td>
<td>−0.076*** (0.013)</td>
<td>−0.460*** (0.013)</td>
<td>−0.063*** (0.019)</td>
<td>−0.376*** (0.026)</td>
</tr>
<tr>
<td>(log) Distance&lt;sub&gt;bd&lt;/sub&gt;</td>
<td>0.001 (0.009)</td>
<td>−0.011 (0.008)</td>
<td>−0.014* (0.011)</td>
<td>−0.123*** (0.011)</td>
<td>−0.023 (0.014)</td>
<td>−0.083*** (0.025)</td>
</tr>
<tr>
<td>Observations</td>
<td>15,010</td>
<td>15,010</td>
<td>15,010</td>
<td>839,402</td>
<td>839,402</td>
<td>7,664</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.82</td>
<td>0.81</td>
<td>0.75</td>
<td>0.18</td>
<td>0.19</td>
<td>0.74</td>
</tr>
<tr>
<td>Avg. Elasticity Diaspora&lt;sub&gt;rdt&lt;/sub&gt;</td>
<td>0.085</td>
<td>0.010</td>
<td>0.011</td>
<td>0.070</td>
<td>0.073</td>
<td>0.028</td>
</tr>
<tr>
<td>Avg. Elasticity Diaspora&lt;sub&gt;bdt&lt;/sub&gt;</td>
<td>0.168</td>
<td>0.057</td>
<td>0.036</td>
<td>0.130</td>
<td>0.132</td>
<td>0.067</td>
</tr>
<tr>
<td># CoR</td>
<td>599</td>
<td>599</td>
<td>599</td>
<td>1,956</td>
<td>1,956</td>
<td>75</td>
</tr>
<tr>
<td># CoB</td>
<td>1,303</td>
<td>1,303</td>
<td>1,303</td>
<td>3,510</td>
<td>3,510</td>
<td>100</td>
</tr>
</tbody>
</table>

Notes. The unit of observation is a city-of-residence × city-of-birth × country in year $t$. The estimation period is 1933–1941 and the variables are based on the migration toward 29 destination countries of individuals from the F sample who were at least 16 years old in 1933. Diaspora<sub>rdt</sub> (Diaspora<sub>bdt</sub>) is defined as the cumulative share of migrants from a city of residence (city of birth) to the destination country. All regressions control for country × year fixed effects, and city-of-residence × city-of-birth × year fixed effects. Column (5) controls for distance × year interactions. In columns (6) and (7), the sample is restricted to the top 100 largest cities of residence/birth in terms of size of the population at risk. Each estimation sample includes only cities experiencing at least one year of nonzero outmigration. Estimating fixed effects leads to dropping some observations (i.e., exclusion of singletons). Standard errors clustered at the city-of-residence × city-of-birth × year are in parentheses. * $p < .10$, ** $p < .05$, *** $p < .01$. 

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log of 1 + cumulative counts of migrants. Column (2) uses our preferred measure of diasporas with the same estimation method as column (1). Columns (3) and (4) turn to PPML regressions, first on positive flows, and then on the entire sample including rbdt cells with zero migration flows. Column (5) adds interaction terms between distances and year dummies to evaluate the evolution of the effect of distance over time. Since column (5) allows for more flexibility in the effect of migration frictions, we take its set of coefficients and parameters as our baseline for computation of the inclusive utility. Finally, columns (6) and (7) replicate the regressions of columns (3) and (4), restricting the sample to the top 100 cities in terms of the population at risk (both in terms of birth and residence cities) to limit selection bias concerns (see Online Appendix H.2 for a more detailed discussion).

1. *Migration Costs.* The negative and significant coefficients on the distances from the city of residence/birth to the different destination countries in most columns confirm the large literature that has estimated migration gravity regressions on modern times samples (*Beine, Bertoli, and Fernández-Huertas Moraga 2016* is a good survey of that literature). As expected, the location of the city of residence is more important than the location of the birth city. The coefficient in column (2) implies that a 1% increase in the distance from the city of residence (birth) is associated with a 0.096% (0.011%; not significant) decrease in the share of migrants. Turning to the PPML estimation technique in column (3), while keeping the same sample of strictly positive flows, does not change massively the effect of distance. The distance estimates for city of residence to destination in columns (1) and (2) are smaller (in absolute value) than the elasticities obtained on more recent samples (*Beine, Docquier, and Özden 2011; Ortega and Peri 2013; Bertoli and Moraga 2015*). This might be because our identification mostly stems from internal distances from different parts of Germany to contiguous countries (since the distance to the United States for instance is roughly constant across German cities), combined with a different time period. Note that the

36. Overall, results are not affected very much by this different treatment of distance. In Online Appendix Figure H1 we report the coefficients of these interaction terms. Distance effects vary across years, but their overall time-series profile is rather flat. Online Appendix Table H2 replicates all columns of Table III (except for column (5)) with distance-year interactions.
effect of distance becomes very much in line with findings in the literature when accounting for zeros in columns (4), (5), and (7).

Turning to our main variables of interest, we find that in all specifications, the diaspora networks from the city of residence and city of birth have a positive effect on the choice of destination. Although the effects are less precisely estimated in columns (2) and (3), both diaspora networks have a large and statistically significant impact in our preferred specifications of columns (4) and (5) (PPML with zero flows). In column (1), the coefficients are elasticities with respect to the stock of migrants after adding one. Those elasticities are again smaller than in the recent literature (Beine, Bertoli, and Fernández-Huertas Moraga 2016, refer to a 0.4 elasticity as being consensual). Measurement issues in our sample (remember that we can only start the stock in 1933), combined with a very different context, could explain the discrepancy. An additional difference is that we consider annual migration flows, whereas the literature cited in Beine, Bertoli, and Fernández-Huertas Moraga (2016) mostly uses decadal migration flows. Our preferred specification relies on shares (equation (10)). The associated average elasticities, reported at the bottom of the table and calculated by multiplying the estimates (semi-elasticities) by the mean value of the relevant variables (when positive), are lower but still significantly positive. The results of columns (4) and (5) imply that a 10% increase in the cumulative stock of migrants from the city of residence having moved to country $d$ increases the proportion of migrants further choosing country $d$ by 0.7%. The effect of networks from the city of birth is almost twice as large with an elasticity of 1.3%. As for the impact of distance, the two diaspora coefficients are sensitive to the inclusion of zero migration flows in the regression, as shown by comparing columns (3) and (4). This calls for a detailed investigation of the issue.

2. Zero Migration Flows, Limited Mobility Bias, and Selection. In our context, the inclusion of cells with zero migration flows is particularly important. Because we work with a discrete-choice framework, all coefficients are identified out of variation in the characteristics of choices available to the chooser. The chooser here is a $rbt$ combination. The fact that no migrant went from a $rbt$ cell to a given country is informative about the underlying attractiveness of this country. Another way to put it is that all choosers face the same choice set. We show in Online Appendix H.2 that
including the cells with zeros helps with the accurate estimation of the destination-time fixed effects, $\text{FE}_{dt}$, by reducing what was called the limited mobility bias by labor economists estimating worker and firm effects in Mincerian regressions.

Table III, columns (6) and (7) restrict the sample to the set of large birth and residence cities; in this subsample, selection into positive flows should be a small concern. As expected (see our discussion in Online Appendix H.2), this sample restriction alleviates the (downward) selection bias and therefore leads to an increase in the absolute value of coefficients. However, the increase is much less pronounced in the case where the regression includes the zeros (column 7 compared to column 4). Furthermore, the elasticities reported at the bottom of the table are very close between these columns (7) and (4). This stability reinforces our decision to consider the specifications of a PPML regression with zeros included as our preferred ones.

3. Revealing the Attractiveness of Countries. From the gravity estimation of Table III, column (5), we recover the estimated fixed effects $\text{FE}_{dt}$, which measure the attractiveness of destination $d$ in year $t$. Online Appendix Table H3, Panel B ranks the top 10 destinations in each year, as revealed by these fixed effects. The ranking of those country $\times$ year fixed effects follows fairly closely the list of top destinations in terms of observed migration flows displayed in Panel A of the same table.37

Our next step is to assess how the revealed attractiveness of a country-year correlates with observables that theory predicts to affect indirect utility. The structural interpretation of $\text{FE}_{dt}$ is $\frac{A_{dt}}{\lambda_d}$. In most microfoundations of the migration decision, $A_{dt}$ relates to real income per capita of the destination-year combination with a unitary coefficient (Monte, Redding, and Rossi-Hansberg 2018; Tombe and Zhu 2019; Caliendo et al. 2021, are three recent examples). In Online Appendix Table H4, we show results of an auxiliary regression of the estimated fixed effects $\text{FE}_{dt}$ on the log income per capita of the countries.38 Our estimate is

37. Online Appendix Table H3, Panel C shows the pairwise correlation coefficients of the ranks of countries based on their observed migration shares and estimated attractiveness. Those correlations vary over the years but are consistently high, ranging from 0.66 to 0.88.
38. This approach is similar to one of the methods Eaton and Kortum (2002) use to recover the trade elasticity in a gravity setup for trade flows.
$\frac{1}{\lambda_3} = 3.27$, close to recent estimates in this literature reported in the comments of Online Appendix Table H4.\textsuperscript{39} We also find that (i) this relation is weaker after 1938 (when economic considerations regarding migration became much less important); and (ii) proximity to or occupation by Germany decreased attractiveness after 1938. Overall, the consistency between the estimated and observed destination attractiveness, and the expected behavior of coefficients with respect to historical facts suggest that our estimation framework is relevant for the location choices of Jewish emigrants in the period 1933–1941.

V.C. Outmigration Model

We turn to the estimation of the upper-level model equation (8). This is the structural version of equation (1) that takes into account the lower-level destination choice through inclusive utility. We construct $I_{rbt}$, the inclusive utility for individuals living in $r$ and born in $b$, using estimates from Table III, column (5), with the formula given in equation (9).

Table IV, Panel A displays the noninstrumented results; only estimated migration spillover effects and the threat effect are reported. Our structural model calls for the use of nonlinear estimators. We start with the traditional binomial logit (reporting coefficients in column (1) and marginal effects in column (2)). Column (3) considers the complementary log-log model as an alternative (reporting marginal effects). As with the reduced-form estimation of Section IV, in columns (4) and (5) we also provide estimates of LPM, which allows for the inclusion of high-dimensional fixed effects and two-stage least squares (in Panel B). Across all specifications, we find that the two migration spillover variables (network migration and inclusive utility) have a statistically significant positive sign. This is a first indication that both the exodus and diaspora effects are at work in the data. As for the threat effect, we see that despite including the two migration spillover variables, the effect of past detainment in the network is extremely close to its corresponding reduced-form estimate (comparing Table II, column (2) and Table IV, Panel A, column (5) which use identical estimation methods).

\textsuperscript{39} As explained already (head of Section V), the concern about endogeneity of the real income per capita of destination countries for Jewish migrants is much less severe than in those papers.
### TABLE IV
**OUTMIGRATION DECISION WITH INCLUSIVE UTILITY: 1933–1941**

<table>
<thead>
<tr>
<th>Dependent variable: Migration decision</th>
<th>Logit (1)</th>
<th>Logit (2)</th>
<th>Cloglog (3)</th>
<th>LPM (4)</th>
<th>LPM (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detainment of network members</td>
<td>0.477***</td>
<td>0.023***</td>
<td>0.023***</td>
<td>0.041***</td>
<td>0.041***</td>
</tr>
<tr>
<td>(0.143)</td>
<td>(0.007)</td>
<td>(0.007)</td>
<td></td>
<td>(0.012)</td>
<td>(0.010)</td>
</tr>
<tr>
<td>Migration of network members</td>
<td>0.384***</td>
<td>0.018***</td>
<td>0.015***</td>
<td>0.074***</td>
<td>0.071***</td>
</tr>
<tr>
<td>(0.088)</td>
<td>(0.004)</td>
<td>(0.004)</td>
<td></td>
<td>(0.009)</td>
<td>(0.009)</td>
</tr>
<tr>
<td>Inclusive utility</td>
<td>0.746***</td>
<td>0.036***</td>
<td>0.034***</td>
<td>0.040***</td>
<td>0.015***</td>
</tr>
<tr>
<td>(0.043)</td>
<td>(0.002)</td>
<td>(0.002)</td>
<td></td>
<td>(0.003)</td>
<td>(0.004)</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.13</td>
<td>0.13</td>
<td>—</td>
<td>0.07</td>
<td>0.10</td>
</tr>
</tbody>
</table>

**Panel A: Noninstrumented**

**Panel B: Instrumented**

| Detainment of network members          | 0.489***  | 0.023***  | 0.023***    | 0.044***| 0.043***|
| (0.152)                                | (0.007)   | (0.007)   |             | (0.013) | (0.011) |
| Migration of network members           | 1.912***  | 0.091***  | 0.076**     | 0.144** | 0.186***|
| (0.707)                                | (0.034)   | (0.033)   |             | (0.061) | (0.049) |
| Inclusive utility                      | 0.804***  | 0.038***  | 0.037***    | 0.034***| 0.016   |
| (0.160)                                | (0.008)   | (0.007)   |             | (0.012) | (0.015) |
| R-squared                              | 0.13      | 0.13      | —           | 0.02    | 0.02    |
| Observations                           | 973,360   | 973,360   | 973,360     | 973,360 | 971,655 |
| Mean of dependent var.                 | 0.055     | 0.055     | 0.055       | 0.055   | 0.055   |
| $F$-stats                              | 22.30     | 56.23     |             |         |         |

**Notes:** The dependent variable is an indicator for migration in year $t$. The unit of observation is an individual in year $t$. The sample consists of individuals who were at least 16 years old in 1933. Migration of network members measures the cumulative share of network members that emigrated until year $t - 1$. Detainment of network members measures the cumulative share of network members that have been detained until year $t$. All regressions control for age, age squared, gender, personal detainment, and a dummy for whether the individual was born outside Germany. Columns (1) to (4) control for year fixed effects; column (5) controls for city-of-residence $\times$ year fixed effects. Marginal effects are reported in columns (2) and (3). Standard errors are clustered at the city-of-birth $\times$ year in parentheses. Panel B: Columns (1)–(3) use a control function approach, while columns (4) and (5) estimate two-stage least squares. $^*$ $p < .10$, $^{**} p < .05$, $^{***} p < .01$. 

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Regarding the inclusive utility, the structural interpretation of its coefficient, $\frac{\lambda_2}{\lambda_1}$ from equation (8), is confined to column (1). As discussed already, a theoretical requirement is that $0 \leq \frac{\lambda_2}{\lambda_1} < 1$, ensuring that the assumed tree structure of the location choice is consistent with utility maximization. The theory-consistent estimator of column (1) finds that $\frac{\lambda_2}{\lambda_1} \approx 0.75$, confirming that our nested logit structure is compatible with revealed preferences. Finally, combined with our lower-level estimate of $\lambda_2 = \frac{1}{5.27} = 0.31$, we can reveal $\lambda_1 = \frac{0.31}{0.75} = 0.41$. The magnitudes of the estimated coefficients implied by column (5) are large: a one standard deviation increase in the migration of network members (0.16), that is, the exodus effect, increases the annual migration probability by 1.1 percentage points, or 20% of the sample mean. A one standard deviation increase in the inclusive utility (0.89), which encompasses not only the diaspora effect but also destinations’ attractiveness and migration frictions, increases the annual probability of migration by 1.3 percentage points, or 24% of the sample mean, according to column (5).

1. **Instrumentation.** By construction, individuals and their distant peers originate from the same city of birth but do not live in the same city of residence. This network construction ensures that our empirical design is immune to migration shocks that are common across individuals living in the same city. We believe that this construction deals with the first-order exogeneity concern in our regressions. However, because decision makers and their peers are born in the same city, there could be some unobserved shocks driving simultaneously their outmigration. For instance, having been exposed to similar secular/religious education could affect the overall propensity to migrate later in life as well as the destination choice. This threatens the exogeneity of the network migration and the inclusive utility variable. We tackle this issue, called homophily in the network literature, by building two exogenous shifters of distant peers’ migration decisions, which should not be related to the city of birth. The idea is to exploit the push and pull factors that are specific to the city of residence of distant peers, which are orthogonal to the direct determinants of migration choice of the decision maker.

The first shifter captures push factors related to persecution, building on the observation that detainment in the city of residence positively affects outmigration (see our discussion of
the estimates in Table II, column (1)). For an individual \(i\), it is defined as the average past detainment share in the residence cities \(r(j)\) of her distant peers \(j\) up to year \(t - 1\):

\[
\text{Push}_{i,t} \equiv \sum_{1933 \leq s < t-1} \frac{1}{N_{i,s}} \times \left[ \sum_{j \in n(i,s)} \text{Detainment}_{r(j)s} \right],
\]

where \(n(i,s)\) is the network of \(N_{i,s}\) distant peers still living in Germany in year \(s\).

The second shifter relates to the pull factors affecting distant peers’ migration as captured by their partial inclusive utility, namely, the components of peers’ \(I_{rbt}\) that neither relate to their city-of-birth nor to diasporas in equation (9). For each distant peer \(j \in n(i,s)\), we retrieve from the gravity estimates her partial inclusive utility and we average it across distant peers who still live in Germany up to year \(t - 1\) to generate the second shifter:

\[
\text{Pull}_{i,t} \equiv \sum_{1933 \leq s < t-1} \frac{1}{N_{i,s}} \times \left[ \sum_{j \in n(i,s)} I_{p}^{r(j)s} \right] \quad \text{where}
\]

\[
I_{p}^{r(j)s} \equiv \ln \sum_{d' \neq \text{DEU}} \exp \left( F_{Eds} - \tilde{\rho}_{1s} \ln \text{dist}_{r(j)d} \right).
\]

We use \(\text{Push}_{i,t}\) and \(\text{Pull}_{i,t}\) as exogenous shifters of \(\text{Mignet}_{n(i)t}\) and \(I_{rbt}\) in our structural equation (8). These two variables capture exogenous changes in the relative attractiveness of Germany compared to the rest of the world for the distant peers of decision makers. Both variables induce peers’ migration which affects directly \(\text{Mignet}_{n(i)t}\) and indirectly \(I_{rbt}\) (via \(\text{Diasp}_{bdt}\) in equation (9)). The validity of the exclusion restriction relies on the assumption that the two instrumental variables, push and pull, affect individuals’ migration decisions only through the actual migration of their distant peers. In other words, we assume that individuals (i) base their own migration decision on “hard facts” about the migration/detainment of their (first-degree) distant peers, (ii) but do not react directly to “soft information” about the persecution and migration prospects of second-degree peers, that is, co-residents of their distant peers, who are strangers to them. This assumption is reasonable as information about strangers was not directly observed and was difficult to verify. Propaganda by the Nazi government made public information
unreliable and open communication was risky because of potential censorship of postal mail and phone calls (see Online Appendix F).

Table IV, Panel B presents the results from instrumented specifications. For nonlinear estimators (logit and Cloglog), we use a control function approach (Cameron and Trivedi 2005). In the last two columns, instrumented LPM is estimated with standard 2SLS that allow for testing for weak instruments (Kleibergen-Paap $F$-statistics). Moreover, 2SLS provides appropriately corrected standard errors. Note that the statistical level of significance for the three variables of interest obtained with 2SLS reassuringly stays in line with the ones from nonlinear estimators. First-stage estimation results are displayed in Online Appendix Table G16 and confirm the statistical power of both instruments.40

In all specifications, we estimate coefficients of network migration and inclusive utility that are positive and statistically significant. The first-stage $F$-statistics reported at the bottom of the table in column (4) (22.30) and column (5) (56.23) underscore the relevance of the instrumental variables. Compared to their noninstrumented counterparts (Panel A), the instrumented point estimates of inclusive utility (Panel B) are quite stable. In terms of the theory, the ratio $\frac{\lambda_2}{\lambda_1}$ is recovered from column (1). Combined with the value of $\lambda_2$ this reveals that $\lambda_1 \simeq \frac{0.31}{0.80} = 0.38$. The magnitude of the effect of network migration is more sensitive to instrumentation. This will matter for the structural interpretation of those coefficients. We therefore run the counterfactual with both the noninstrumented and instrumented sets of parameters.

2. Robustness. Online Appendix G.11 investigates the sensitivity of the estimated migration spillovers, that is, migration of network members and inclusive utility, to a battery of 48 robustness checks. Online Appendix Figure G13 provides a graphical display of those, ranking point estimates and associated

40. We present the intention-to-treat (or reduced-form) results where the two endogenous network effects are replaced by their shifters in Online Appendix Table G15. The coefficients of the shifters capture the network externalities driven by push/pull factors. They both load positively confirming that fiercer persecution and/or better migration prospects in the cities of residence of distant peers increase the propensity to migrate of individuals. While the intention-to-treat approach is immune to potential violations of the exclusion restriction, it does not allow us to disentangle the migration spillovers.
confidence intervals for the two main variables of interest. The figure shows reassuringly that our preferred estimates (Table IV, Panel A, column (1)) lie near the median of the distribution of the 48 estimates. Overall, the distribution of point estimates displayed in Online Appendix Figure G13 shows a small dispersion across robustness exercises, with all estimates being significantly different from zero at the 10% level. Detailed results of this first batch of robustness checks are reported in a number of tables. In Online Appendix Table G17, we investigate how sensitive our estimates are to the age of decision makers. In Online Appendix Table G18, we relax the five-year age bracket between decision makers and their distant peers when building social networks. In Online Appendix Table G19, we change the minimal number of distant peers required for the computation of network measures. In Online Appendix Table G20, we explore the sensitivity of the estimates to using the final rather than the first migration destination and to considering a previous city of residence instead of the last known city of residence. In Online Appendix Table G21, we test the robustness of our findings to excluding decision makers who migrated in the early years of the Nazi rule. In Online Appendix Table G22, we explore how missing information on migration and deportation status for some distant peers affects the estimated effects of migration spillovers. In Online Appendix Tables G23 and G24, we check the robustness of our estimates to restricting our sample to a subset of residence cities whose city-level population figures match better external sources (Alicke 2014 and the census of 1925). In Online Appendix Tables G25 and G26, we drop cities of residence and birth from the sample if they are in the lower and upper tails of the population distribution. In Online Appendix Table G27, we only consider movers as decision makers and impose a minimum distance between the cities of residence of decision makers and their distant peers.

Online Appendix G.12 assesses how missing information on migration and deportation trajectories affects estimates. We weight the F sample such that it matches the observable characteristics of out-of-sample individuals, that is, people for whom the dependent variable of the model cannot be constructed due to missing information. Our weighting approach builds upon the entropy balancing method introduced by Hainmueller (2012). Results are displayed in Online Appendix Tables G30 (logit) and G31 (LPM) for several weighting schemes. All the estimated coefficients of the weighted regressions are close to their baseline
counterparts. Hence, restoring balancedness between in-sample and out-of-sample observations does not change meaningfully the point estimates.

Last, we perform a placebo test, in which we reshuffle observed networks across decision makers. To each decision maker, we randomly assign all three network variables which are observed for another individual, and reestimate the specification reported in Table IV, Panel A, column (1). Online Appendix Figure G14 presents the coefficients of the network migration variables obtained from 1,000 repetitions. This figure shows that the likelihood of obtaining the benchmark estimates by chance is less than one in a thousand.

3. Unobserved Individual Characteristics. In our data, we have sparse information on individuals’ characteristics. In particular, we do not observe wealth, income, and education. Economic means were a likely, but ambiguous, determinant of migration decisions in Nazi Germany (see notes 4 and 11). In addition, we do not observe other important drivers of migration at the individual level such as political ideology, for example, Zionist or socialist, and religiosity.41

What are the implications of this data limitation for our empirical design? First, it could have some consequences for the interpretation of our main coefficients of interest. Indeed, our estimates of the migration spillovers are to be interpreted as an average marginal effect across individuals. Marginal effects might vary across individuals as their decision to migrate can be more or less elastic to their peers’ migration. How heterogeneous is this elasticity across individuals? Is the average marginal effect mostly driven by wealthy, educated people? Our data do not enable us to shed a definitive light on these questions, and we can only note that the answers are a priori unclear, given the ambiguous relationship between economic means and migration incentives.

41. It is likely that Zionist and left-wing individuals migrated earlier (Rosenstock 1956). In Online Appendix Table G21, we exclude decision makers who migrated in the early years of the Nazi rule. Moreover, using the Jewishness of first names as a proxy for religiosity, we explore in Table II the differential response of individuals with varying levels of religious identity toward the threat of persecution.
Second, if wealth and income are correlated between decision makers and distant peers, nationwide shocks and policies could affect their migration incentives simultaneously. As explained, our instrumented specifications are well suited for addressing these types of concerns, thanks to the construction of migration shifters that are exogenous to the characteristics of decision makers. For the sake of completeness, we now consider an alternative way of dealing with homophily. To directly account for unobserved heterogeneity across individuals, we reestimate the outmigration model with individual fixed effects. These fixed effects capture not only heterogeneity in economic means (wealth, income) but all other unobserved heterogeneity at the individual level, for example, education, occupations, and membership in political parties. Online Appendix Table G28 reports the LPM results. The findings, in particular for network migration and detainment, are in line with our previous estimates obtained without taking into account unobserved heterogeneity at the individual level. This observation makes us confident that the overall consistency of our baseline estimation is not critically affected by the aforementioned data limitation. We should also note that incorporating individual fixed effects makes estimation much more demanding, in particular because the identifying variation then only comes from the subset of migrants (as spells of stayers do not vary over time). Furthermore, such high dimensions of fixed effects are a challenge for the nonlinear estimation of our structural model. For these reasons, our preferred empirical model abstracts from including individual fixed effects.

4. FP Sample. So far, our estimations have considered the sample of individuals with full spells (F sample). We extend the estimation to the FP sample (for a complete description of how it is built, see Section II.B.2). We first consider a restricted version of the FP sample by adding (to the F sample) individuals who can be matched with the 1939 census but have no migration year or deportation information in the Resident List (Table I, row (6)). We also use an extended version of the FP sample that adds individuals who died before 1939 and the ones who were expelled to Poland in 1938 (Table I, row (7)). Importantly, the two versions of the FP sample are only well-defined for the period of 1933–1938, since we do not know what happened to people observed in the 1939 census during the years that followed.
Estimation results are reported in Table V. Column (1) reestimates the baseline specification (Table IV, Panel A, column (1)) using the F sample but restricting the period to the years 1933–1938. In line with the reduced-form findings reported in Table II, the coefficients on detainment and migration of network members are greater when we focus on migration decisions taken prior to Kristallnacht. We also see an increase in the coefficient on inclusive utility. Those three changes are pointing in the same direction. The observable incentives to outmigrate have a stronger effect in the years when the urgency of leaving was less obvious. In the case of inclusive utility, the coefficient gets closer to 1, which indicates a simple conditional logit decision structure, where Germany is one destination among others. In all specifications, the estimated coefficients on inclusive utility are not statistically significantly different than 1 at the 1% level. In economic terms, this means that the nested structure, where Germany is a special destination country, becomes especially relevant after 1938.

In column (2), we use the restricted version of the FP sample (both for the decision makers and for the distant peers). We reestimate the triadic gravity regressions (representing the lower-model choices) on the FP sample and recompute the
inclusive utility. Those are significant changes, both in terms of sample size (now 60% larger in terms of decision makers that are all stayers) and content of the RHS variables. The coefficients of interest all increase but remain of comparable magnitude. In column (3), we use the extended version of the FP sample. The coefficients of interest hardly change in terms of size and statistical significance. Overall, the relative stability of results, despite such a large change in sample size, is another indication that a selection bias is unlikely to contaminate our empirical analysis.

VI. COUNTERFACTUAL HISTORY

VI.A. Exact Hat Algebra

In our counterfactual analysis, we use techniques initiated by the trade literature (see Costinot and Rodríguez-Clare 2014 for a general presentation), often referred to as exact hat algebra (EHA). This approach uses the CES structure of the model to express proportional changes (denoted by the hat notation) of migration flows resulting from policy changes as a function of the observed levels of the same flows and a parsimonious set of structural parameters. An attractive feature of this approach is that it does not require us to solve the model in levels, which makes it extremely economical in terms of data requirements. In our case, we use migration shares (which are CES as in the recent literature surveyed by Redding 2022) to capture all characteristics that are not affected by the policy change, including those that are otherwise unobservable. This advantage does not come without associated drawbacks. As pointed out by Antrás and Chor (2022), EHA techniques amount to estimating a very large number of friction parameters with the help of observed flows. This is made possible by assuming functional forms that, for instance, impose that a zero flow must be resulting from an infinite friction. Also, the advantage of revealing frictions with observed bilateral flows can backfire if the data at hand are granular. Inferring friction parameters from a small set of idiosyncratic draws might result in weak counterfactual performance, which is the overfitting problem raised by Dingel and Tintelnot (2020). The alternative approach solves the model using observable covariates and estimated parameters, once under the true levels of the policy, and once under its counterfactual level. Compared to EHA, it will therefore “even out” the random draws since it predicts what the flow should have been, had the number of draws been larger.
In this trade-off between leaving aside unobserved frictions (covariates approach) versus inferring them from data that may be too granular (EHA approach), several specific aspects of our work make us lean toward EHA. First, our counterfactuals are intended to deliver predictions for overall outward migration flows from Germany, that is, aggregating the granular bilateral (city-to-country) predicted outflows, which should mitigate the overfitting problem. Moreover, the tractability of EHA is especially useful in our context given the two-step decision process (whether to and where to migrate) for each year. The use of migrant shares at both stages of our EHA procedure simplifies the computation of this complex nested counterfactual, while accounting for a second set of unobserved outmigration frictions at the upper level. Generally speaking, unobservable frictions might be correlated with observable covariates and therefore affect the reliability of counterfactual computations. The distinctive capacity to deal with unobservables makes EHA particularly adapted to historical data that, by their nature, convey limited information. Finally, the EHA procedure starts from actual data patterns (migration shares in our case) and replicates the true state of affairs under the status quo. This is an important advantage in quantitative economic history work such as ours; there, the researcher is particularly interested in comparing the counterfactual outcome to what was observed in the data.

All computational details of the EHA are relegated to Online Appendix Section I.1. The structural elasticities required to perform the counterfactual simulations are recovered from the estimation results of the lower model (Table III, column (5)), the noninstrumented version of the upper model (Table IV, Panel A, column (1)), and the table showing the determinants of country attractiveness (Online Appendix Table H4, column (1)). These structural parameters take the following values:

\[
\lambda_1 = 0.410; \lambda_2 = 0.306; \alpha_1 = 1.662; \alpha_2 = 1.619; \beta = 0.157; \gamma = 0.196.
\]

Counterfactuals are run on a population at risk composed of individuals from our baseline estimation sample (the F sample). Because the hat algebra is fed with information from the lower-level model, we drop all migrants who are not part of its estimation sample. We end up with a population at risk of
167,108 adults: the 62,969 migrants (corresponding to Online Appendix Table A3, row 5) and the 104,139 individuals who did not migrate and were deported (with a known deportation date, corresponding to Table I, row (5)).

VI.B. Policy Simulation

The counterfactual scenarios are implemented in 1936, a few months after the enactment of the Nuremberg Laws, which institutionalized Jewish persecution and made it visible to the international community. We consider the following scenarios: (i) unilateral opening of U.S. borders, (ii) nonclosing of Palestine in 1936, (iii) removing work restrictions, (iv) subsidizing transportation, and (v) early perception of the threat. Counterfactuals (i)–(iii) are modeled as changes in the attractiveness \( A_{dt} \) of the relevant destination countries in the lower-level component of utility, equation (3).\(^{42}\) Counterfactual (iv) corresponds to a change in the bilateral migration cost in the same equation. Counterfactual (v) is engineered as a change in the perception of detainment in the upper-level equation (8). For all these interventions, our efficiency metric is the additional number of migrants accumulated by 1941 and the number of lives saved as a result. Our model generates two margins of adjustment. The first is the intertemporal margin: People migrate out of Germany earlier than they would have done absent the policy change.\(^{43}\) The second is the extensive margin whereby the total number of migrants increases. Only the second margin contributes to the goal of those policies, which is to save lives and decrease the number of Jews still in Germany in 1941.

In Table VI, we present the results of our simulations, each row representing a scenario. Columns (1) and (2) are based on the noninstrumented values of parameters, while columns (3) and (4) use the instrumented ones. For each scenario, we

\(^{42}\) Our counterfactuals use the hat notation to denote the proportional change in the relevant variables, for instance \( \hat{a}_d \equiv \frac{\hat{a}_d}{a_d} \) in Online Appendix equation (I.7) is the ratio of counterfactual estimated attractiveness of country \( d \) over that in the status quo (recall that the notation for log attractiveness of \( d \) used in Section V.A is \( A_d \), hence \( a_d \equiv \exp (A_d) \)).

\(^{43}\) Because the initial population at risk under consideration is fixed (i.e., Jewish adults living in Germany in 1933), an intervention in 1936, if successful, reduces the remaining population at risk in 1937. It is therefore possible for the counterfactual outflows in 1937 and following years to be lower than the observed ones. This is true even if the dynamics of our network spillovers raise the probability of outmigrating in 1937.
TABLE VI
OUTMIGRATION AND MORTALITY IN THE COUNTERFactual SCENARious: 1933–1941

<table>
<thead>
<tr>
<th>Set of parameters:</th>
<th>Noninstrumented</th>
<th></th>
<th>Instrumented</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Simulated outcome:</td>
<td>Migration (1)</td>
<td>Mortality in deportation (2)</td>
<td>Migration (3)</td>
<td>Mortality in deportation (4)</td>
</tr>
<tr>
<td>Status quo (obs. no. of Jewish adults)</td>
<td>62,969</td>
<td>99,434</td>
<td>62,969</td>
<td>99,434</td>
</tr>
<tr>
<td>Scenarios from 1936 onward (% change)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) 5,000 additional migrants to U.S in 1936</td>
<td>8.5</td>
<td>- 5.1</td>
<td>13.6</td>
<td>- 7.8</td>
</tr>
<tr>
<td>(ii) Nondosing of Palestine</td>
<td>7.3</td>
<td>- 4.4</td>
<td>10.5</td>
<td>- 6.1</td>
</tr>
<tr>
<td>(iii) Removing work restrictions</td>
<td>12.2</td>
<td>- 5.9</td>
<td>20.3</td>
<td>- 10.2</td>
</tr>
<tr>
<td>(iv.a) Travel subsidy: subsidy to U.S. only</td>
<td>4.9</td>
<td>- 2.9</td>
<td>6.7</td>
<td>- 3.9</td>
</tr>
<tr>
<td>(iv.b) Travel subsidy: subsidy to all port destinations</td>
<td>9.7</td>
<td>- 5.7</td>
<td>13.8</td>
<td>- 8.0</td>
</tr>
<tr>
<td>(v) Post-Nuremberg perception of threat</td>
<td>2.6</td>
<td>- 1.3</td>
<td>4.3</td>
<td>- 2.2</td>
</tr>
</tbody>
</table>

Notes. This table displays the changes in cumulative Jewish migration over 1933–1941 and in mortality across the different counterfactual scenarios. All changes are expressed in percentage point deviations from the status quo. All interventions are implemented from 1936 onward (after the Nuremberg laws). The population at risk under consideration is composed of 167,108 adults living in Germany in 1933 (the F sample, corresponding to the combination of Online Appendix Table A3, row 5 and Online Appendix Table A1, row 5”). The mortality figures implied by different scenarios are computed using first the observed deportation rate in the countries where the first migration occurred, combined with the survival rate of 10% that is revealed by the Resident List.
report in columns (1) and (3) the counterfactual changes in cumulative migration out of Germany over 1933–1941. We express those changes in percentage point deviations from total migration observed in the data (the status quo): 62,969 migrants. Columns (2) and (4) provide the results of our simulations expressed in terms of people who were deported and ended up murdered. This quantification proceeds in two steps. First, we compute the counterfactual number of deportees, accounting not only for those who stayed in Germany until 1941, but also for those who migrated to countries that were occupied by Germany after 1938 and were deported later. Based on the Resident List, we compute in Online Appendix Table G.7 the deportation risk for all destination countries. Unsurprisingly, migrants who went to countries neighboring Germany faced a high deportation risk. For example, 54% and 36% of migrants in the Netherlands and Belgium were later deported, respectively. Second, we compute mortality among the deportees by using a survival rate of 10%. This figure comes from the Resident List and is within the range of existing estimates reported by other sources (see Online Appendix Table G4). In Table VI, mortality under the status quo amounts to 99,434 out of the sample of 167,108 adults on which the counterfactuals are run.\footnote{More precisely, this number is computed as}

\begin{equation}
\text{mortality} = 0.90 \times \left( \text{popatrisk}_{1933} - \sum_d (1 - \eta_d) \text{stock}_{d,1941} \right),
\end{equation}

where \( \text{popatrisk}_{1933} = 167,108 \), \( \text{stock}_d \) is the cumulative number of individuals in the Resident List who have outmigrated between 1933 and 1941 in destination \( d \), and \( \eta_d \) is the share of migrants to destination \( d \) who were ultimately deported.
the United States from Germany surged and more than 300,000 applicants were waiting for a visa (Breitman 2013). Political attempts to open borders, such as the bipartisan Wagner-Rogers Bill in the U.S. Congress, which proposed to allow 10,000 children a year to come to the United States in 1939 and 1940, were rejected. The policy intervention we consider follows this proposal and increases the inflow of Jewish immigrants to the United States by 5,000 people in 1936. Contrary to the other counterfactuals presented below, we do not aim at detailing how exactly this policy scenario could be implemented. To evaluate the effects of such a scenario, we do not need to take a stance on the measures taken to attract more migrants. We implement this policy experiment by exogenously increasing U.S. attractiveness, $a_{USA}$, in our model. Combining lower-level utility (3) with migration equations (5) and (8), we simply reveal the change in attractiveness of the United States in 1936 needed to generate the additional inflow. The implied increase in U.S. attractiveness is very large: $\hat{a}_{USA,1936} = 2.415$. In subsequent years, attractiveness remains unchanged ($\hat{a}_{USA,t>1936} = 1$). As shown in Table VI, 8.5% more migrants (5,352 individuals) would have left Germany by 1941 in this scenario compared with what is observed in the status quo; and mortality would have decreased by 5.1% (5,075 saved lives).

2. Scenario (ii): Nonclosing of Palestine after 1936. The next scenario we study is the nonclosing of Palestine in 1936. A record number of Jewish immigrants arrived in Palestine in 1935. The increased inflow of Jews led to a revolt by the Palestinian Arab community against the British administration to stop immigration. As a result, the British Mandate significantly reduced the allocation of immigration certificates from 1936 onward (Nicosia 2000; Hacohen 2001). Our empirical results are in line with these historical narratives. We observe a threefold reduction in the estimated attractiveness of Palestine between 1935 and 1940 (see Online Appendix Table H3). What if Palestine had stayed open and remained a similarly attractive place to migrate to? To study this question, we assign the attractiveness of Palestine (PAL) in 1935 to the subsequent years $t > 1935$ such that $\hat{a}_{PAL,t} = \frac{a_{PAL,1935}}{a_{PAL,t}}$. Under this scenario, 7.3% additional adults would have migrated out of Germany (4,624 migrants); mortality would have decreased by 4.4% (4,349 saved lives).
3. Scenario (iii): Removing Work Restrictions. Next we study how policies that limit the economic opportunities of refugees affect emigration. After the Great Depression, when economic conditions were harsh globally, many countries restricted the access of migrants to their local labor markets. In the United Kingdom, for example, employment restrictions were severe. While migrants were generally allowed to work, the employer had to prove that no British person could do the job (Löwenthal and Oppenheimer 1938; London 2003). The British policies implied that most refugees could not work, or they worked in low-skill jobs, in particular as domestic servants.

For the counterfactual analysis, we collected information on labor market policies in place during the 1930s. For each destination and year, we code the access of immigrants to the labor market on a scale from 1 to 4, where 1 indicates “no restrictions,” 2 “work allowed with permit,” 3 “work allowed, but permit difficult to obtain,” and 4 “no access to the labor market.” In Online Appendix Table I1, using an auxiliary regression, we estimate the elasticity of destinations’ attractiveness to their labor market restrictions. The estimated elasticity is negative, which validates that tighter restrictions are indeed associated with lower attractiveness and flows of refugees. We then ask what if countries had removed employment restrictions after the Nuremberg Laws (i.e., from 1936 onward), instead of making access to their labor market difficult? Using the estimated elasticity, we compute the counterfactual changes in attractiveness induced by lifting labor market restrictions in destination countries (i.e., moving all labor market policies to “no restrictions”). Online Appendix Figure I1 reports for each country the observed average work restrictions over the period 1936–1941 and the increase in attractiveness caused by the lifting. The effects can be large. For example, the attractiveness of United Kingdom and France rise by 59% and 43%, respectively. Finally, we simulate the model to quantify the changes in total migration and mortality. As shown in Table VI, compared with the status quo, 12.2% more migrants (7,672 individuals) would have left Germany; mortality would have been reduced by 5.9% (5,865 saved lives). Under this scenario, the number of additional migrants substantially exceeds the number of saved lives. The reason for this discrepancy is that the counterfactual removal of work restrictions would increase migration flows to many destination countries, including countries neighboring Germany that were later occupied, where the
deportation risk and resulting mortality rates were high. By contrast, in scenarios (i) and (ii), the discrepancy is less pronounced as individuals relocate preferentially to the United States and Palestine—relatively safe havens for Jews during the war.

4. Scenario (iv): Travel Subsidies. One instrument to help Jewish migrants that was discussed at the Evian conference was the provision of financial assistance. The British government considered opening their colonies to migrants and establishing financial help through loans or subsidies to shipping lines that transported migrants overseas (Hoffmann 2011; Packer 2017). Indeed, overseas travel costs were high: transport costs ranged between 150 and 1,320 Reichsmark, between 10% and 100% of the average yearly income per capita in Nazi Germany. To ease the financial burden of emigration, organizations such as the American Jewish Joint Distribution Committee provided financial assistance for visa and travel costs (Kaplan 2020).

In this counterfactual scenario, we simulate how migration would have reacted to travel subsidies. We collected actual ticket prices in Reichsmark from Löwenthal and Oppenheimer (1938) for 42 boat trips from European ports to overseas (non-European) destination ports. In Online Appendix Table I2, we regress the ticket prices on port-to-port distances to estimate the elasticity of travel cost with respect to distance. Then we reduce the cost of travel to overseas destinations by 50% (on average about 300 Reichsmark). Using the estimated elasticity, we translate this reduction in costs into the equivalent reductions in distance from Germany. Finally, we run the EHA using parameter values $\tilde{\rho}_1 = 0.141$ and $\tilde{\rho}_2 = 0.038$ that are recovered from the time-invariant distance coefficients in Table III, column (4). We consider two subsidy scenarios: a unilateral subsidy to the United States and a subsidy that reduces the distance to all overseas ports at the same time—a measure that could have been the outcome of a coordinated policy effort. Table VI shows that a 50% reduction in ticket prices to the United States in 1936 results in an increase in total migration by 4.9% (3,071 migrants) and a decrease in mortality by 2.9% (2,872 saved lives). A subsidy of 50% of the ticket prices to all overseas destinations would have increased migration by 9.7% (6,085 migrants) and reduced mortality by 5.7% (5,700 saved lives).

45. Ticket prices are from Löwenthal and Oppenheimer (1938). Estimates of GDP per capita are from Spoerer (2005).
5. *Scenario (v): Early Perception of the Threat.* The last scenario we simulate focuses on the perception of the threat in Germany. If people had more accurately estimated the severity of the threat early on, would outmigration have increased dramatically? Designing a thought experiment that speaks to this question is conceptually challenging. For example, assuming that Jews could have perfectly anticipated the future genocide already by 1936 is both unrealistic and too extreme to be instructive. We consider a less drastic change in the perception of the threat and simulate outmigration in a world where Jews would have already known in 1936 (after the Nuremberg Laws) the rates of detention that would take place during and after Kristallnacht. That is, we assign the 95th percentile value of cumulative detention (37%) in 1939, one year after Kristallnacht, to all adults in 1936. As displayed in Table VI, knowledge of post-Kristallnacht detention would have increased outmigration. Compared to the status quo, 1,666 additional migrants would have left Germany (2.7% increase) and 1,340 additional lives would have been saved (1.3%). The impact of an early assessment of the threat on outmigration is substantially smaller than our results regarding policies lowering migration frictions or increasing destinations’ attractiveness. It is important to acknowledge the limits of this comparison. Indeed, all these scenarios are very different in nature; the way we implement the more accurate perception of the threat only relates to one specific facet of persecution (i.e., arbitrary detention in custody).

6. *Migration Creation, Migration Diversion.* In Figure II, we investigate substitution patterns in migration choice. To facilitate interpretation, we consider two scenarios where the migration policy is implemented unilaterally: nonclosing of Palestine and travel subsidies to the United States. In each scenario, the solid curve with filled circles depicts migration from Germany to the country implementing the policy (i.e., Palestine (light blue) and United States (dark blue), respectively; color version available online) and the dashed curve with hollow circles represents migration from Germany to the rest of the world. After the date of intervention in 1936, we observe migration creation in implementing countries (filled-circle curves are upward sloping) and migration diversion in the rest of the world (hollow-circle curves are downward sloping). In both cases, migration creation offsets migration diversion; total migration out of Germany increases. Yet it is clear that the policy impact on total outmigration would have
This figure displays cumulative migration of Jews to the country implementing the policy unilaterally (solid line, filled circles) and to the rest of the world (dashed line, hollow circles) under scenarios (ii) (nonclosing of Palestine, light blue; color version available online) and (iv-a) (subsidized travel to the United States, dark blue). All interventions are implemented from 1936 onward (after the Nuremberg Laws). The population at risk under consideration is composed of 167,108 adults living in Germany in 1933 (the F sample, corresponding to the combination of Online Appendix Table A3, row 5 and Online Appendix Table A1, row 5″).

been larger in the absence of diversion. Such substitution patterns have important policy implications in the context of humanitarian crises and refugee relief. When the degree of substitution is low, the unilateral opening of borders increases the total refugee flows out of the country at risk. However, when it is high, the unilateral opening of borders mostly redirects flows of refugees who would have fled anyway. Hence, a quantitative assessment of the substitution patterns is key for identifying the most efficient interventions aimed at increasing refugee outflows and saving lives.

7. Spillover Decomposition and Sensitivity. In Online Appendix I.3, we document the decomposition of spillover effects
Online Appendix Table I3 summarizes the results of various versions of the counterfactuals that shut down one or both spillover channels. Both dynamic spillovers enhance the efficiency of refugee policies and their respective contributions are quantitatively similar. For example, in the absence of spillovers, the unilateral opening of U.S. borders would have increased cumulative migration in 1941 by 4% versus 8.5% with both spillover channels active.

As a first sensitivity check, we run our counterfactual simulations with alternative parameter values, $\lambda_1 = 0.380$, $\beta = 0.727$, $\gamma = 0.186$, that are recovered from the instrumented version of the upper model (Table IV, Panel B, column (1)). The last two columns of Table VI summarize the results. The main difference with the previous set of parameters is that the estimated value of $\beta$, the parameter driving the exodus effect, is larger in the instrumented version. The parameter $\lambda_1$ is also slightly lower in the instrumented version. Since the elasticity of outmigration with respect to inclusive utility is $\frac{\lambda_2}{\lambda_1}$ (and since instrumentation does not affect the estimated value of $\lambda_2$), this will also strengthen the overall effects of network spillovers. Not surprisingly, the results implied by the instrumented model therefore exhibit larger consequences in all five policy scenarios.

As a second sensitivity check, we rerun all the counterfactual simulations on a larger population at risk, including the 83,959 adults we identified in the 1939 census (Table I, row (6)). Those simulations are restricted to the 1933–1938 period, and therefore use parameters recovered from Table V, column (2). Results, displayed in Online Appendix Table I4 show that counterfactuals based on the extended sample yield larger quantitative effects than the ones obtained on the F sample. This is the natural consequence of the set of structural parameters used, which are all larger when estimated on the FP sample.

VII. CONCLUSION

In this article, we study the importance of social networks and immigration restrictions in destination countries for Jewish migration out of Germany during the period 1933 to 1941. Using individual-level data on Jewish residents of Germany,
we find that network externalities played a first-order role in
outmigration decisions. In particular, we document evidence
for two novel channels of how networks can affect emigration
in situations of violence: First, our results show that networks
aggregate information about the extent of persecution, which
affects outmigration incentives positively (threat effect). Second,
we estimate a structural model of emigration and quantify the
effect on outmigration of observing peers fleeing from Germany
(exodus effect). This exodus effect is of significant magnitude and
operates besides the standard diaspora effect of migration net-
works (late migrants tending to follow early movers’ destination
choices). Our results suggest that in situations of conflict when
emigration becomes massive the exodus effect is crucial.

The article also develops quantitative tools for evaluating
how asylum policies affect the volume and composition of refugee
flows and for assessing counterfactual scenarios. More precisely,
we simulate six policy experiments and report what would have
been their consequences in terms of saved lives. Although we
derive our results from a period of persecution and displacement
that happened 80 years ago, our findings can also speak to
modern refugee crises. For academics and policy makers alike,
it is important to understand how migration decisions are made
in situations of conflict. Our study quantifies the importance
of coordination failures in the allocation of refugees across
destinations. The interaction between those coordination failures
and the presence of social spillovers can have large-scale effects
that should be considered when designing policies.

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Supplementary Material
An Online Appendix for this article can be found at
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DATA AVAILABILITY

The data underlying this article are available in the Harvard Dataverse, https://doi.org/10.7910/DVN/2CGZ3Q (Buggle et al. 2022).

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