

How much did the United States gain from the arrival of German-Jewish Emigres?
Nazi expulsions and American scientific innovation

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Abstract:

This paper uses the dismissal of German-Jewish scientists from German universities as a result of the Nazi racial purity laws of 1933 as a natural experiment to examine the effects of human capital on innovation. Specifically, we compare increases in U.S. innovation after 1933 in technologies where dismissed (Jewish and Communist) scientists were active with technologies where other German scientists were active. This test allows us to address the endogeneity of migration decisions (better qualified workers are more likely to migrate) and measure whether, and how much, the dismissal of Jewish scientists from German universities benefitted innovation in the United States. Data on more than 100,000 U.S. chemical patents between 1900 and 1970 indicate that patenting nearly doubled in affected technologies after Jewish scientists arrived in the United States.