

ABSTRACT:

**POOR VOTERS, TAXATION, AND THE SIZE OF THE  
WELFARE STATE**

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This paper studies the impact of an increase in the number of poor voters on local public policy setting. We exploit the sudden arrival of 8 million forced migrants in West Germany after WWII who were poorer than the local population, eligible for social welfare and had full voting rights. We show that municipalities responded to this shock with selective tax raises and shifts in spending from infrastructure to social welfare. Voting data suggests that these changes were partly driven by the forced migrants' political influence. We further document a strong persistence of the effects. The poverty shock altered municipal redistribution policies for decades and changed the redistribution preferences of the following generations.

(with Arnaud Chevalier, Andreas Lichter and Nico Pestel)