

Destroy and Build? Economic Effects of *Centres de Regroupement* in the Algerian War

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Abstract

Urbanization generally accompanies development. However, whether abrupt unintended urbanisation can stimulate future progress is an open question. During the Algerian independence war, the French government constructed thousands of *Centres de Regroupement* (resettlement centres) all across the country, to which the army forcefully relocated around 2.5 million civilians. The policy destroyed the previous agricultural life of the impacted while, at the same time, concentrating them within prison-like semi-urban centres. Using the heterogeneity in treatment across regions, difference-in-difference estimates (DiD) show that the policy has a persistent negative impact on the population but a continuing positive impact on urbanisation. To address the endogeneity, I use the facts that i) the army implemented the policy out of purely military concerns and ii) the whole process lacked coherent planning from the authority where the low-level officers designed it locally for temporary necessities. The findings provide novel insights into the long-run economic impacts of unintended urbanisation.

JEL-Classification: F54, J11, N47, O15.

Keywords: Colonial Policy, *Centre de Regroupement*, Forced Resettlement, Urbanisation.

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