

The Return of the King: Political Conflict and Female Labour Force Participation

Xanthi Tsoukli, University of Southern Denmark
(xanthi@sam.sdu.dk)

Supervisor: Paul Richard Sharp

A fundamental change in labour markets over the past hundred years has been the increased participation of women and the subsequent change in their role in society. There is however still a wide variation in female labour force participation rates across the world that has been attributed to cultural beliefs regarding gender roles and their persistence (e.g. Alesina et al., 2013; Grosjean and Khattar, 2018). Gender norms tend to arise when a shock takes place that affects the current working status of women, as famously illustrated by the example of the Second World War. Little is however known about the role of violent ideological conflicts, such as civil wars. These might, by polarizing attitudes, result in a similar effect on gender roles, if for example left-wing ideologies challenge conservative views to a degree that the acceptance of working women becomes the new norm. Political polarization is often accompanied by social movements that might generate better institutionalized policies for previously disadvantaged groups, and therefore lead to better-quality democracies (Haggard and Kaufman, 2016; LeBas, 2018). In turn, better-quality democracies might support less conservative institutions, and create the conditions whereby social norms are changed.

The present work exploits just such an example and demonstrates that the Greek Civil War of 1946-49, which pitted conservative supporters of the monarchy against socialist and communist opponents, led to an increase in female labour force participation in areas where left-wing opponents of the ensuing conservative regime were more numerous, as measured using the results of a referendum about the return of the conservative monarchy. Moreover, it is demonstrated that this pattern of female labour force participation is persistent over time, and the underpinning attitudes of the populace can even be detected in modern survey data, as well as differential increases in the number of churches, a conservative institution. Figure 1 illustrates a general upward trend in female labour force participation over the past one hundred years, with declines immediately following the Civil War, as well as during the rule of the unstable and far-right *Military Junta* between 1967 and 1974.¹

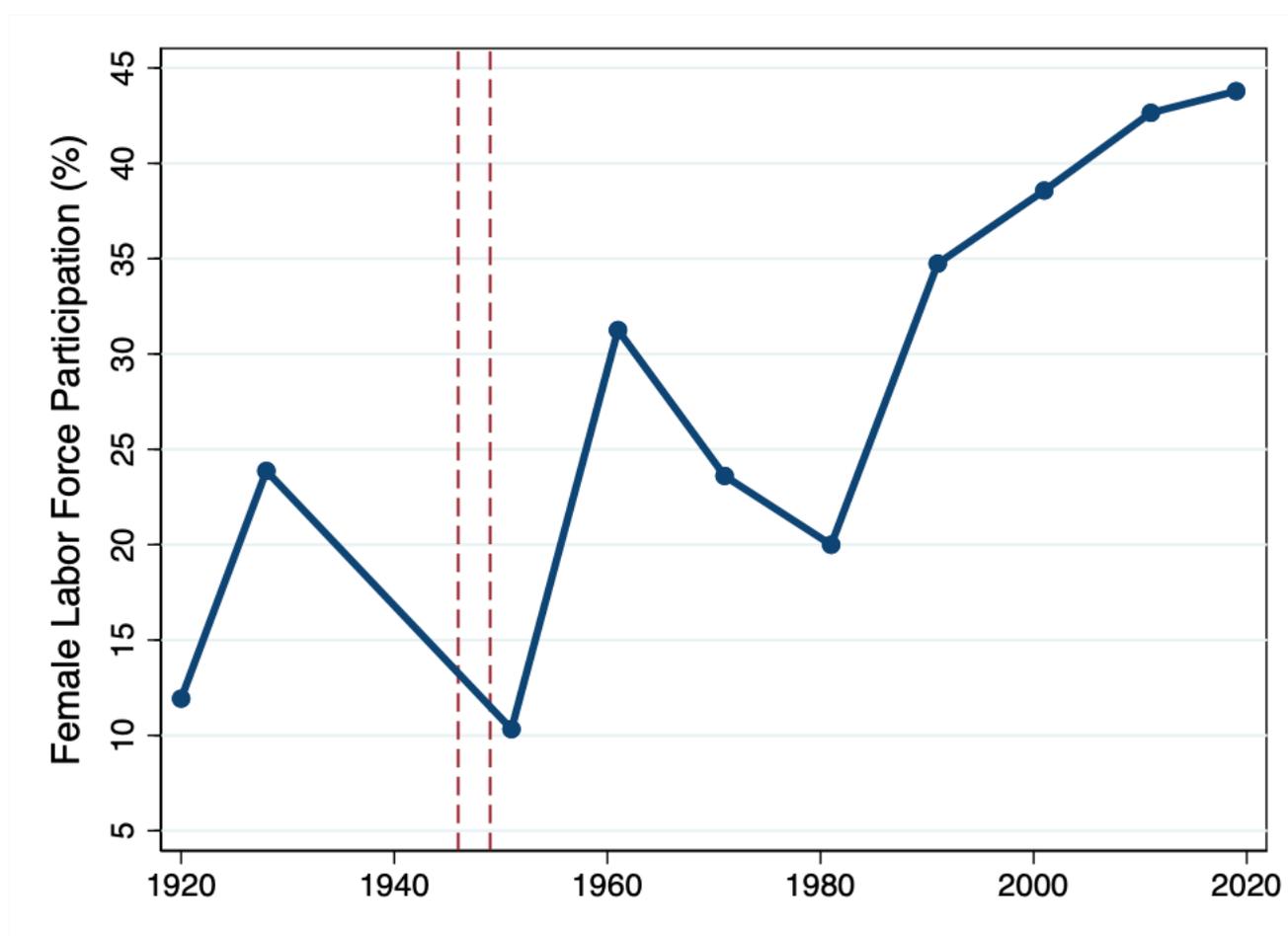
This paper makes several important contributions. First, the results add evidence to the relatively new literature examining the relationship between cultural differences in gender roles and female labour market outcomes, and more specifically, that which shows the effects of historical shocks on gender specific outcomes². I add to this literature by showing that political differences expressed as extreme views regarding gender roles can impact on female labour force participation. Second, this paper contributes to a vast literature that focuses on the effects of violent conflicts on women's empowerment³. I show that increases in female labour force participation occur in areas where greater changes in social norms have been made possible by violent conflict. Finally, this paper contributes to the literature on persistence, and the idea that an important channel explaining the effects of shocks on female labour force outcomes is the transmission of social and cultural norms through generations (Gay, 2019; Fernández, 2013). In line with previous work (Cantoni et al., 2019; Bursztyrn et al., 2020), I also demonstrate the persistence of political views and their correlation with gender norms.

¹ Kottis (1990) attributed the decline over this latter period to a change in the industrial structure of the country.

² For the impact of historical shocks, such as demographic shocks on sex ratios, on gender norms, see Angrist (2002), Acemoglu et al. (2004), Boehnke & Gay (2020), for instance.

³ For example, Hadzic and Tavits (2019) suggest that women do not engage in post-conflict political life due to perceptions regarding the masculine nature of politics.

Figure 1: *Female labour force participation (per cent), 1920-2019*



Empirical framework

The differences-in-differences method employed takes the vote share in the referendum about the return of the King, which took place prior to the Civil War, as the treatment capturing the potential for polarization during and after this period of violent conflict, given that for most of the country conservative forces dominated, making their political opponents a minority. It has been shown that exposure to opposing political views increases political polarization (Bail et al., 2018), and this paper thus contributes to the literature that studies the effects of political polarization on economic outcomes.

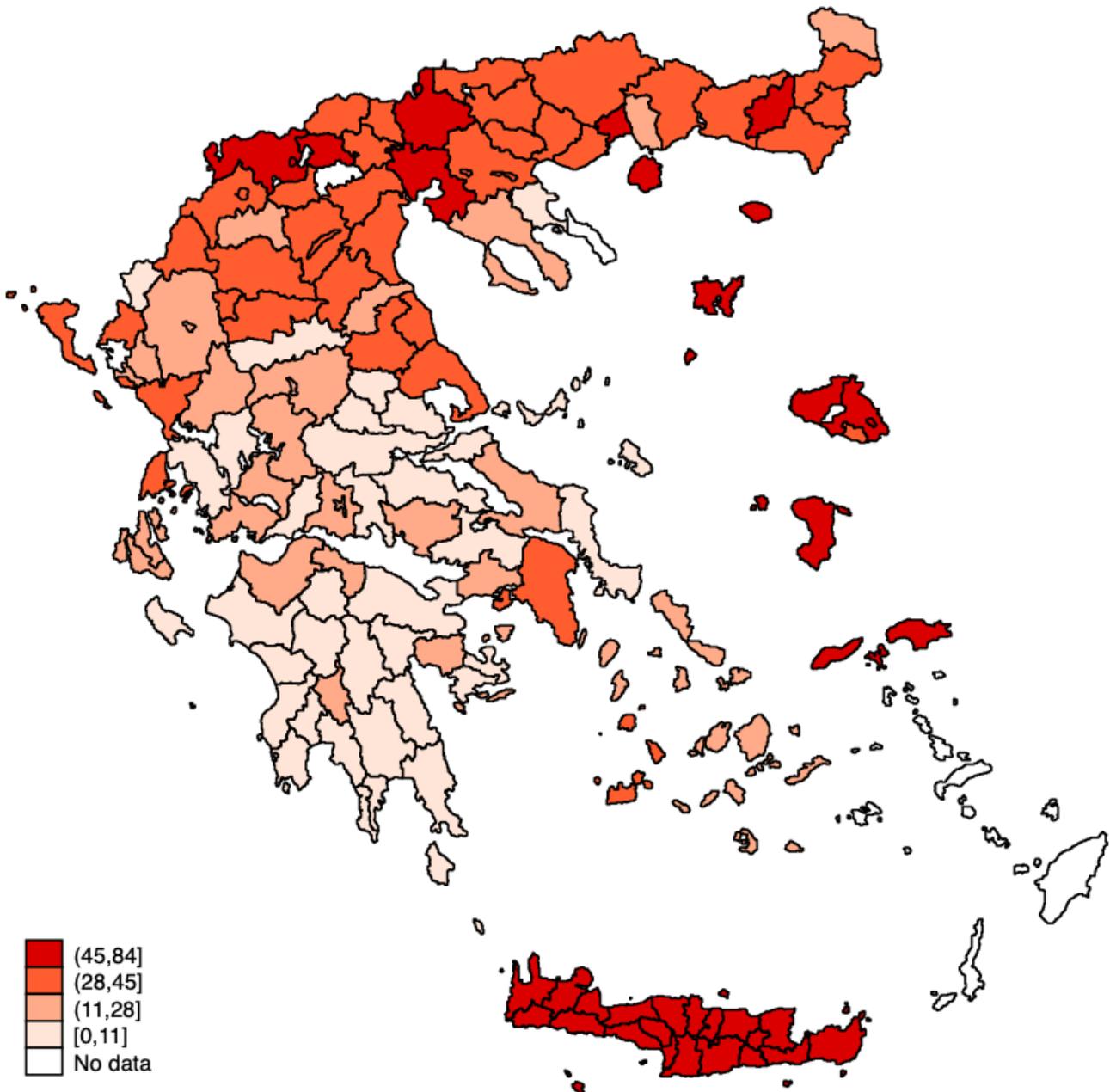
The identification comes from relative changes in female labour participation across provinces with varying levels of political opposition. The baseline results are estimated using the following specification:

$$FLFP_{p,t} = \beta PoliticalOpposition_p \cdot post1949_t + \gamma_p + \delta_t + \varepsilon_{p,t} [1]$$

where $FLFP_{p,t}$ denotes the female labour force participation rate in province p and year t of the census data and is calculated as a percentage. $PoliticalOpposition_p$ is the share of votes against the return of the King in the Referendum of 1946 in province p , while $post1949_t$ is an indicator for year $t > 1949$ that was the end of the civil war. Province fixed effects γ_p are included in the estimation to control for province-specific unobservable characteristics that are constant over time and could influence the local levels of female labour force participation. For example, some provinces are closer to mountainous areas than others, and therefore might provide better conditions for the concentration of rebel groups (Close, 1995; Christodoulakis, 2016). Year fixed effects δ_t control for shocks that are common to all provinces. The coefficient of interest is β and it is interpreted as the change in percentage points of the female labour force participation as the political opposition to the current monarchist regime increases by 10 percentage points after 1949.

I collected data on female labour force participation at the province level for six census years, covering periods before and after the civil war, 1920-81. Female labour force participation rate is defined as the share of women that are economically active. This includes women that are employed, unemployed or actively searching for a job in the year of the census. The female labour force participation is calculated as the share of economically active women in the total female population in a province for the years 1920-81. The political opposition is measured as the share of votes against the return of the King in the size of the electorate of the province, excluding invalid votes and non-participants. Figure 2 maps the distribution of political opposition in percentage points across all 139 provinces. The data are missing for one department that belonged to Italy in 1946 and the province of *Mount Athos* that is located in the North-eastern part of the country, because those areas did not participate. Political opposition ranges from 0.04 per cent in *Oetylon* to 83.99 per cent in *Apocoronas*, with an average of 30.16 per cent and a standard deviation of 22.56 per cent. Throughout the paper the political opposition is used flexibly as a continuous predictor, comparing differences in outcomes across provinces that experienced a 10 per cent increase in political opposition.

Figure 2: *Political opposition across provinces (per cent)*



Results

The OLS estimates of the effect of varying levels of political opposition on female labour force participation are reported in Table 1. Column (1) includes only year fixed effects and province fixed effects, while column (2) reports the estimates when adding controls for the communist vote share and province coordinates, the most statistically significant pre-war characteristics across provinces. The coefficient β is positive, statistically significant and is not affected by the controls. After 1949, a 10 per cent increase in the political opposition to the King results in a 1.4 per cent increase in the female labour force participation rate. Adding more controls does not affect the results. As a falsification test, I examine whether the opposition to the conservative regime has the same effect on the male labour force participation. If this was the case, then the interpretation of the opposition to the current regime, as challenging the gender norms and laying the basis for social change regarding women's role in society, is overestimated. Consistent with the expectations based on the hypothesis, this paper finds no evidence of changes in the male labour force participation as a result of the variation in political views across the country.

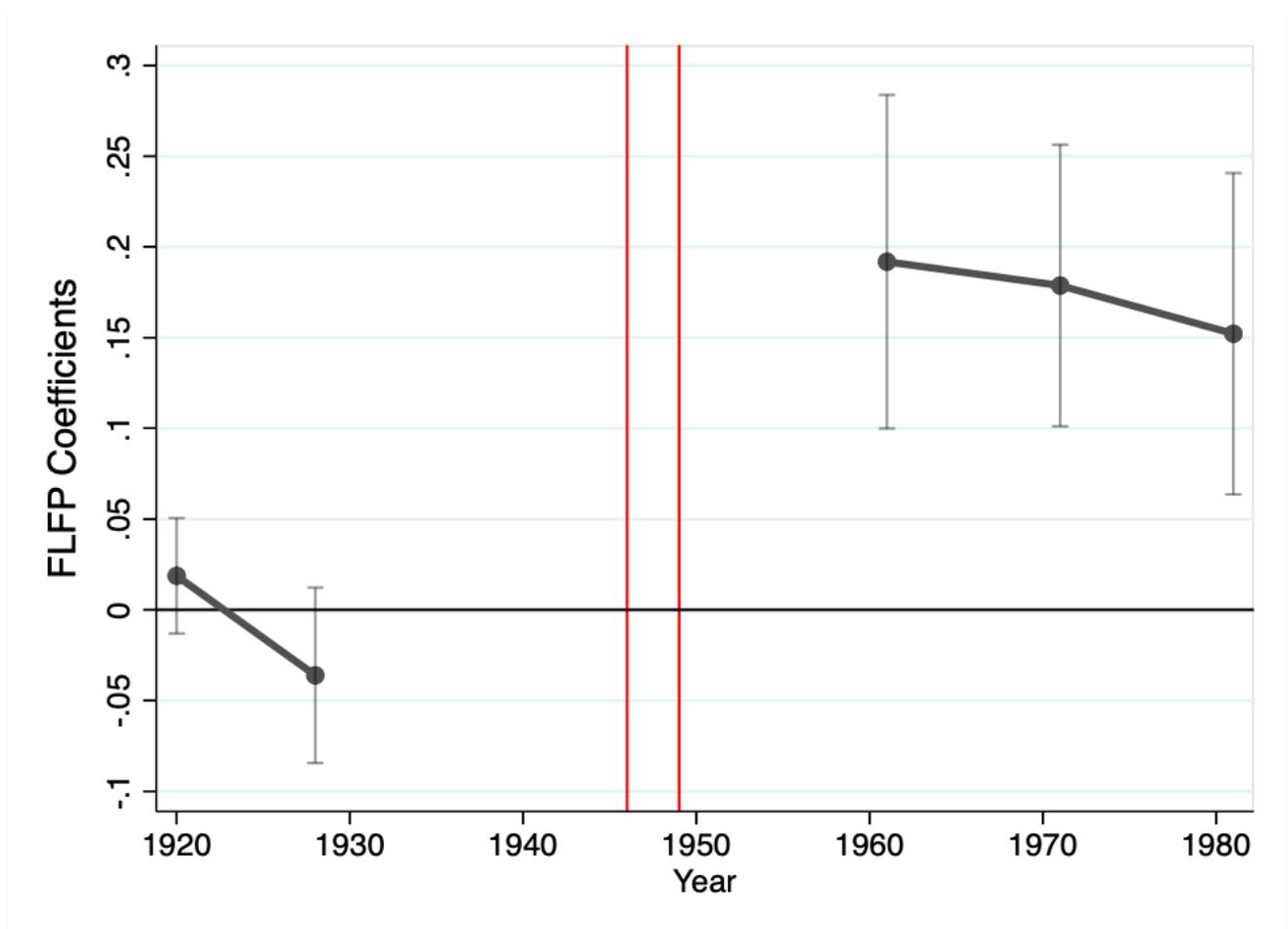
The year-specific results are illustrated in Figure 3. The coefficients of the effect on pre-war years are close to zero and not statistically significant, suggesting that there are no pre-war trends in labour force participation that are driving the results. The effects in the years following the war are positive and significant with a slight decrease in the magnitude though the years. When including controls, the results do not change almost at all. What is striking in the results is that the effect of variation in political opposition persists for more than 30 years after the end of the war. Previous findings in the literature suggest that female labour force participation follows a U-shape development; it increases during war, but decreases in the years immediately following, when men return claiming back their roles as breadwinners (Goldin, 1991; Goldin and Olivetti, 2013; Kottis, 1990). The same pattern can be identified in relation to the Greek Civil War, with the distinct and important difference that female labour force participation rates remain higher in areas with less support for the King during the Civil War. This result thus provides intrastate evidence that historical shocks could impact gender roles and specifically could change the lives of women and men dramatically regarding their roles in households and communities.

The results are robust when including a number of controls, such as linear time trends, sex ratios, Second World War occupation zones, pre-war election result shares, and other province-specific characteristics. In addition, the results cannot be explained by other channels, mainly related to the direct effects of violent conflicts, e.g. gender imbalances in sex ratios. I also explore the validity of the identifying assumption. The vote share in the referendum was not randomly distributed, as provinces with higher concentration of communist shares before the war experienced greater opposition to the conservative regime, namely the monarchy. Using pre-war election data from the year 1932, it is shown that although the votes do correlate as expected, the pre-war communist vote shares do not systematically increase in areas opposed to the King. More importantly, the correlation does not disprove the identification, as the political opposition to the King does not correlate with pre-war trends in female labour force participation. To make the identification stronger, the parallel-trends assumption is relaxed in several ways. First, by controlling for province-specific time trends; second, by controlling for department-specific fixed effects; and third, by testing for non-linearity by dividing the treatment into three groups. The results remain in line with the baseline estimates.

Table 1: *Baseline difference-in-differences estimates*

Dependent variable:	Female Labour Force Participation					Male
	(1)	(2)	(3)	(4)	(5)	(6)
PoliticalOpposition x post1949	0.140***	0.140***	0.141***	0.137***	0.150***	0.000
	(0.031)	(0.031)	(0.031)	(0.032)	(0.042)	(0.024)
Year FEs	Yes	Yes	Yes	Yes	Yes	Yes
Province FEs	Yes	Yes	Yes	Yes	Yes	Yes
Controls	No	Yes	No	Yes	Yes	Yes
Extra Controls	No	No	Yes	Yes	Yes	Yes
Department FEs	No	No	No	Yes	Yes	Yes
Department x Year	No	No	No	No	Yes	Yes
Provinces	139	139	139	139	139	139
Departments	35	35	35	35	35	35
Observations	832	832	832	832	832	832
Adj. R²	0.662	0.661	0.664	0.668	0.672	0.747

Figure 3: *Year-specific difference-in-differences effects on female labour force participation*



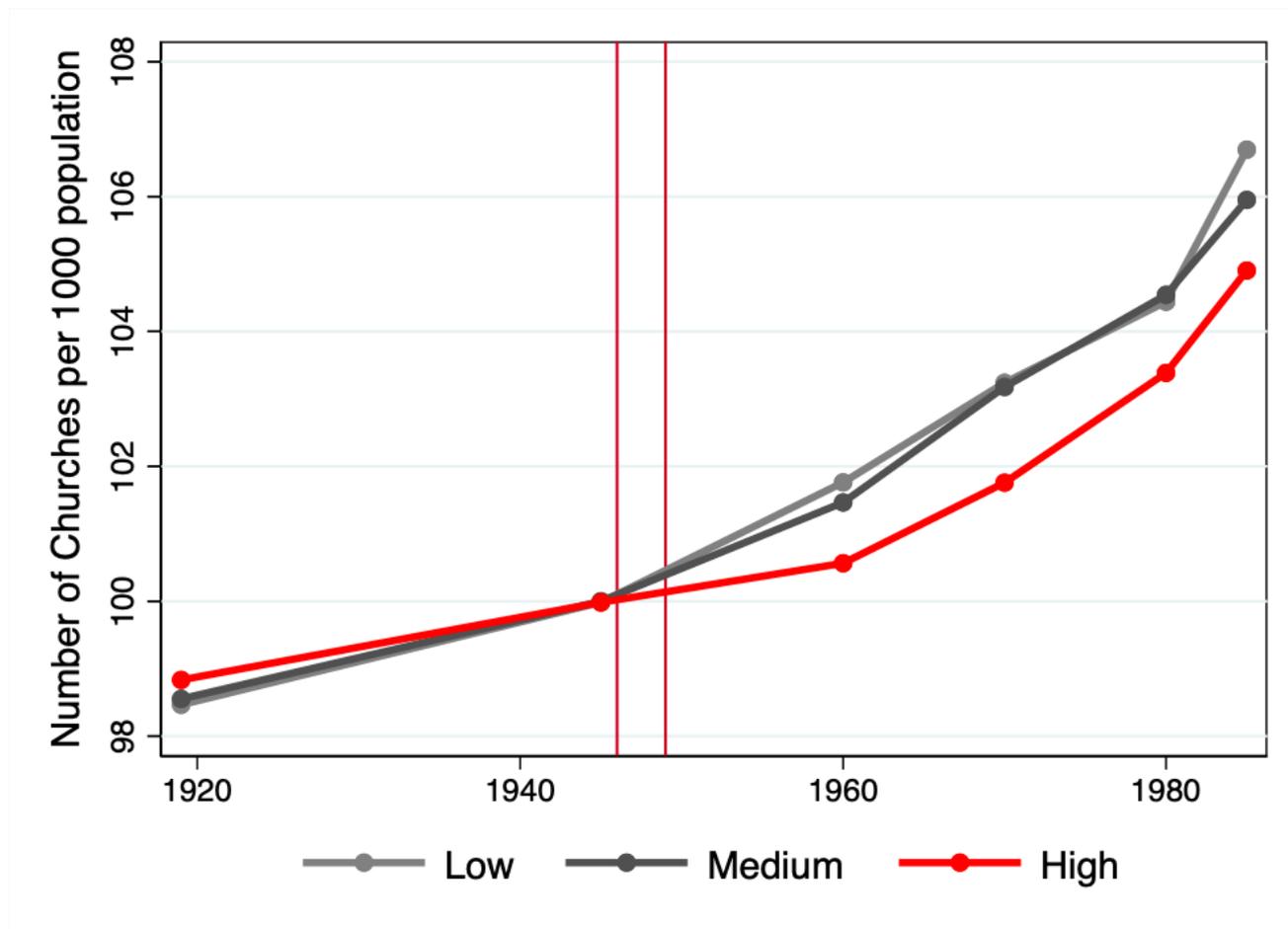
Mechanisms

The present work presents two pieces of evidence that polarization of conservative and anti-conservative values, as revealed by the extent of support for the King, had an impact on labour markets.

First, it is demonstrated that provinces which were politically opposed to the return of the King, were less supportive of the spread of conservative institutions, as measured by the construction of new churches after the war. Figure 4 shows that areas with low, medium and high shares of voters against the return of the King have similar changes in the number of churches before the war, while the number of churches increases in areas with greater shares of supporters of the King after the war.

Second, it is shown that historical political views correlate with current political views. If social norms are persistent, this provides additional evidence that they played a role in determining labour market outcomes for women. To test if the beliefs are persistent, the paper links recent voting preferences as reported in the European Value Survey of 1999 to the historical votes regarding the return of the King (Gari et al., 2012). To accomplish that, the votes are aggregated to the department level for both the historical and the contemporary data. Figure 5 illustrates that the views on gender norms are persistent and shape the way a society views women for next generations, as historical and modern political views are significantly and positively correlated.

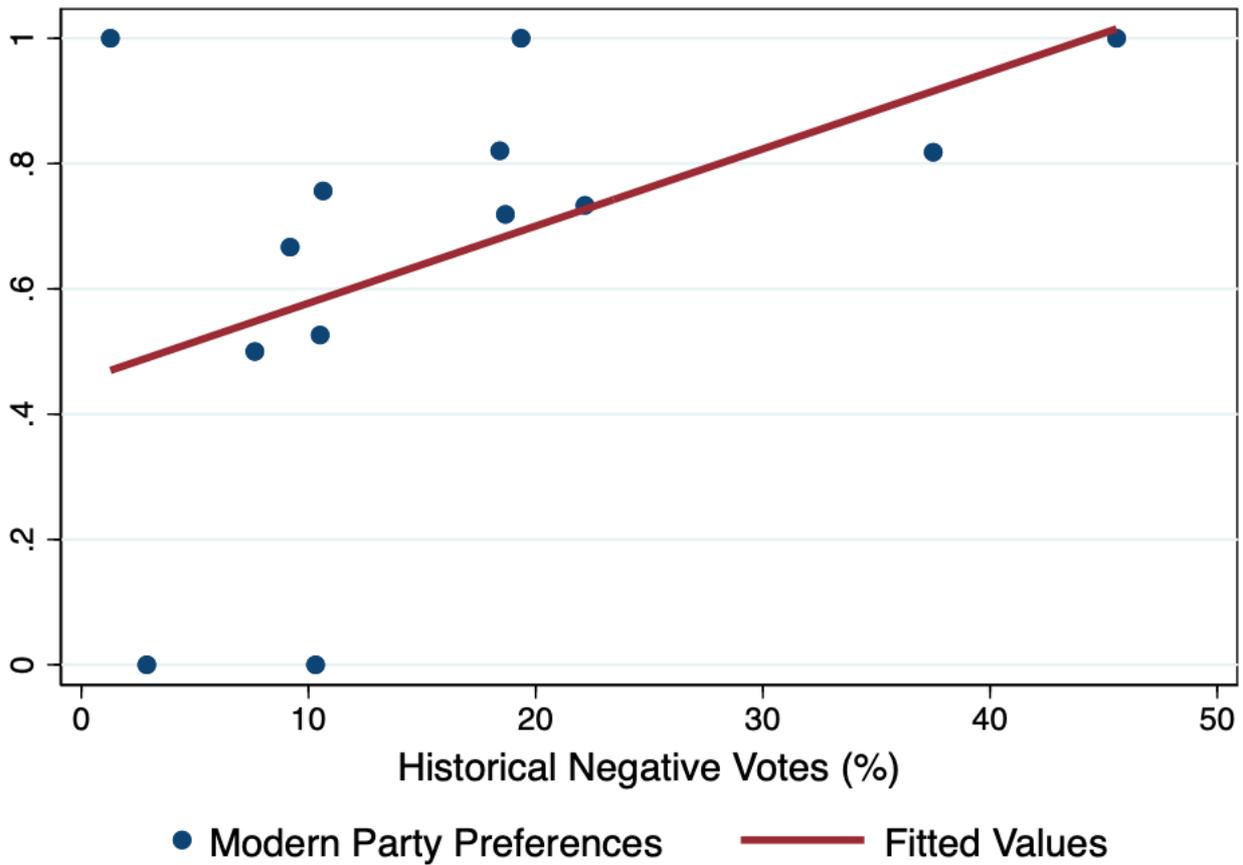
Figure 4: *Relative trends of number of churches*



Conclusion

This paper reports significant and long-lasting effects of a political conflict on female labour force outcomes. I show that increase in concentration of political opposition to conservative institutions has a positive and statistically significant impact on female labour force participation rates. This increase can be explained by the differences in social values of the two opposing groups, conservatives and left-wing. In fact, the paper shows that an increase of political opposition leads to a decline in demand for conservative institutions, such as churches. Finally, it is shown that the effect of the exposure to political opposition on female labour force participation persists up to 1981 and is robust to a series of alternative specifications and controls.

Figure 5: Correlation between historical and modern political views



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