

The Influence of Conflict on the Demand for Education in the Basque Region

Olaf J. de Groot* and Idil Göksel†
Bocconi University, Department of Economics

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Abstract

It has previously been shown that civil conflict influences many economic factors, including education, which play an important role in development and economic growth. Previous authors working on the influence of conflict on education have, however, always focused strongly on the supply-side effects, whereas this paper examines the influence of conflict on the demand for education. It is theoretically shown that, under relatively general conditions, individuals living in a conflict area have an incentive to increase their level of education and that this effect depends on the individual's skill level. This hypothesis is then tested using the conflict in the Basque Region as a case study, which is an example of a conflict in which one would not expect strong supply-side effects. Using the other Spanish regions, an artificial region is created in which the population has a similar educational distribution as in the Basque Region. When comparing the true and artificial regions, it can clearly be seen that for individuals with a medium level of education, there is a strong incentive to increase their education level, which is in concordance with the theoretical model.

Keywords: Conflict; Education; Matching; Spain

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*Address of the author: Olaf J. de Groot (corresponding author), Bocconi University, Department of Economics, Via Roentgen 1, Office 5-D2-08, 20136, Milan, Italy. e-mail: olaf.degroot@unibocconi.it.

†Address of the author: Idil Göksel, Bocconi University, Department of Economics, Via Roentgen 1, Office 5-D2-08, 20136, Milan, Italy. e-mail: idil.goksel@unibocconi.it.