

# **The Implications of the Populations Exchange between Greece and Turkey on Literacy and Employment Rates of the Native Population**

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## **Abstract**

We exploit a major historical event for Greek history, i.e., the 1923 population exchange between Greece and Turkey, to explore the how the interplay of native and refugee population affected native literacy, employment and divorce rates shortly after the refugee inflow as well as modern day norms towards women in Greece. Our findings suggest that in the short-run, while the presence of the refugee population has led to an increase in the literacy of both men and women, men experienced stronger effects. Similarly from employment the native male population shifted from agriculture to industry, transportation, stock farming and trade sectors whereas no effect is detected for the female population. As for divorce rates, they increased comparatively more for women compared to men. Interestingly, taking into account the norms of the era, which were overly conservative for women, those effects were non-trivial and gave rise to new dynamics. Various mechanisms could explain these results, including an increase in the growth rate of Greece driven by the presence of skilled and cheap labour force, competition between natives and refugees and positive externalities of the presence of refugee population who were on average more educated and skilled compared to natives.