Gendered Local Labor Market Effects of Peace: Evidence from the End of the Aceh Insurgency

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Abstract
While the severity of armed conflicts has been increasing recently, there is little evidence on the causal impacts of the end of conflicts on local labor market. This paper provides the first evidence on the local labor market effects of peace exploiting the sudden and unexpected end of the Aceh Insurgency in Indonesia. I find that the end of the Aceh Insurgency significantly reallocated short-run female labor market activity to male labor market activity within the household in two years. The effects were driven by the decrease in violence and economic hardship after the end of the Aceh Insurgency. The negative effects of peace on female labor market activity were stronger for young females and the females in households with a farm. The 2-year short-run effects were not significantly different from the 5-year and 10-year effects of peace. The evidence suggests the importance of the household-level labor market in the post-conflict economy.

Keywords: Conflict, Peace, Labor Market, Gender Difference

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