

Abstract: Does war have important long-term economic consequences? Studies in the existing literature suggest a lack of long-term effects resulting from the short-term destruction of physical capital and population reduction. Increased ideological and social division as a result of war, on the other hand, may produce persistent effects on economic and social outcomes. I investigate the effect of the 1950-1953 Korean War on cooperation within rural communities in South Korea. Combining census data, data on attack routes of the North Korean army, and unique data on village-level collective action, I find that residents of townships that experienced stronger conflict due to the prolonged presence of the North Korean Army and communist influences during the war were less likely to cooperate 20 years after the war ended. Furthermore, I provide evidence that war-related reductions in township populations persisted for over 40 years. The empirical results suggest that impacts of the war persisted in the form of increased ideological and social division.