Essays on the Economics and Politics of Religious Institutions

Tolga Benzer
Essays on the Economics and Politics of Religious Institutions

Tolga Benzer
Supervising professor
Professor Matti Sarvimäki, Aalto University, Finland

Thesis advisors
Research Professor Tuomas Pekkarinen, VATT and Aalto University, Finland
Professor Matti Liski, Aalto University, Finland
Professor Ciprian Domnisoru, Aalto University, Finland

Preliminary examiners
Professor Jeanet Sinding Bentzen, University of Copenhagen, Denmark
Professor Seyhun Orcan Sakalli, King's College London, United Kingdom

Opponent
Professor Jeanet Sinding Bentzen, University of Copenhagen, Denmark
Abstract

The first essay studies the impact of access to state-run modern Islamic schools on girls’ educational attainment, fertility, and labor market participation in Turkey. In contrast to secular schools, Islamic schools in Turkey offered a hybrid curriculum that also included religious instruction, a more conservative school environment, and a more tolerant attitude toward the use of headscarves. Islamic schools expanded rapidly in the mid-1970s, and girls achieved the legal right to attend these schools after a ruling by the secular highest administrative court in 1976. Exploiting the variation in exposure to Islamic schools across districts and cohorts, I find that girls exposed to Islamic schools were more likely to complete lower and upper secondary school, while the corresponding effects for boys were small and nonsignificant. Moreover, affected women had lower fertility and higher labor force participation during early adulthood. My results suggest that making educational institutions inclusive toward culturally excluded groups by eliminating cultural barriers to education help to keep these groups in school and integrate them into public life.

The second essay studies the impact of the establishment of state-run modern Islamic schools during the 1970s on electoral outcomes in Turkey. Exploit-ing the variation in exposure to Islamic schools across district centers and election years, I find that district centers with an Islamic school voted significantly more for Islamist parties after exposure to Islamic schools. The effect appears after prolonged exposure to Islamic schools, once affected student cohorts came of voting age. The faster increase in Islamist support is more pronounced in district centers with initial lower attachment to secularist parties that were right-wing strongholds. My findings indicate that policymakers with religious affiliations can utilize religious schooling as centers for the promotion of religious politics to achieve electoral success in secular electoral democracies.

The third essay studies the long-term impact of Christian missions in colonial Egypt on present-day electoral outcomes. I combine contemporary census and election data at the district level with historical information on the spatial distribution of Christian missionaries and Muslim Brotherhood branches in early twentieth-century Egypt. I document a robust negative association between proximity to historical Christian missions and the support for Muslim Brotherhood in the 2012 Egyptian presidential elections. I do not find any relationship between Christian missions and historical Muslim Brotherhood presence. Finally, I present evidence that missions’ lasting effect is partly explained by increased education and urbanization.

Keywords Culture, Religion, Education, Women’s Empowerment, Religious Schools, Islam, Christianity, Political Islam
Acknowledgments

The relatively stable journey of this doctoral thesis bears gratitude to outstanding individuals who have contributed significantly to its completion.

I am, first and foremost, very grateful to my supervisors - Tuomas Pekkarinen and Matti Sarvimäki. I feel utterly privileged to work under their guidance; they are not only excellent economists but also great intellectuals who helped me to think broadly in my work. I also want to thank my committee members Matti Liski for his help during the early years of my PhD studies and Ciprian Domnisoru for his great and detailed feedback on my essays. I am grateful to Janne Tukiainen—although he was not a part of my committee—for providing tremendous feedback and constant support for my work. I thank Manuel Bagues for his inspiring discussions and for being an outstanding teacher of microeconometrics that I benefited greatly.

I would like to express my gratitude to my preexaminers, Professor Jeanet Sinding Bentzen and Professor Seyhun Orcan Sakalli, for their insightful feedback on the draft of my thesis. I thank Orhan Torul for his role and encouragement in pursuing my doctoral studies in economics. I thank OP Pohjola Group Research Foundation, Suomen Kultturirahasto, Yrjö Jahnsson Foundation, Liikevistysrahasto, HSE Support Foundation for their financial support.

The Department of Economics at Aalto University has been an inspiring and ideal place to conduct my research. I have significantly benefited from individuals there and want to thank all the community members. A special thanks to Maria Kinnunen, for her approachability and efficiency in admin-related issues that made the PhD process smoother.

What made PhD life special for me was, unarguably, the friends and peers I spent time with. I was lucky to have someone like Andrey as a peer who shares the same mindset about PhD life as I do. He has been a wonderful friend and made PhD life enjoyable for me. Another great friend who made this experience fun and pleasant was Claudia. I always enjoyed the lengthy chats we had, although me being a person who prefers speaking less. Coming to Finland for doctoral studies as a lone being, I was lucky to have Aino, Maarit, and Jan in my cohort. They made the first years of my studies and adaptation to Finland fun and smooth, and it was a great pleasure to have them as my office mates. I also
want to thank Lauri, Salla, Ramin, Juuso, Lassi, and Topi for the time spent together and for peer support.

I thank my friends, Caglayan, Cem, and Kosker, for helping me keep in touch with the world outside academia and the past life I had before I decided to pursue graduate studies in economics.

I thank my parents, Songul and Orhan, and my sister Tilbe for their continued love and support. I am immensely indebted to them for all the sacrifices they made to enable me to get this far. I want to thank Seija and Tomi for all their help in Finland. I also thank my furry family member, Elma, for being such a character and showing that I could finish this thesis while channeling most of my attention to her.

I kept the most beautiful thing that Finland gifted me to last. Jenni, thank you for your patience, support, and the joy you bring to me. I am the luckiest to meet and spend my days with you during this journey.

Helsinki, July 25, 2022,

Tolga Benzer
Contents

Acknowledgements 1
List of Essays 5
Introduction 6

1. Removing Cultural Barriers to Education: State-run Islamic Schools and Girls’ Education in Turkey ............................................................... 14
   1.1 Introduction ............................................................................. 14
   1.2 Historical and Institutional Background ................................. 19
      1.2.1 History of Secular Education in Turkey ............................ 19
      1.2.2 The Rise of Islamic Schools and the 1976 Council of State Ruling 20
      1.2.3 Islamic Schools in Turkey: Imam Hatip Schools .............. 22
   1.3 Data and Summary Statistics .................................................. 23
   1.4 Empirical Analysis ............................................................... 24
      1.4.1 Empirical Strategy and Descriptive Evidence ...................... 24
      1.4.2 Islamic Schools and Educational Attainment ................... 25
   1.5 Robustness Checks ............................................................. 31
      1.5.1 No Evidence of Pre-existing Trends or Confounding Policies or Shocks .............................................................................................................. 31
      1.5.2 Additional Robustness Checks .......................................... 31
      1.5.3 Alternative Estimator ....................................................... 32
      1.5.4 Rural Sample as a Placebo ............................................... 32
      1.5.5 Migration and Province-level Evidence ............................ 33
      1.5.6 Only a Supply Effect or More? Evidence on the Gender Gap in Education ........................................................................................................... 35
   1.6 Discussion ............................................................................... 36
   1.7 Concluding Remarks ............................................................. 37
   1.8 Tables and Figures .................................................................. 46
   1.9 Appendix Tables and Figures .................................................. 58

2. Religious Schools and Voting: Evidence from State-Run Islamic Schools and Political Islam in Turkey ................................................................. 94
List of Essays

This thesis consists of an introduction and the following essays.

**Essay 1:** Removing Cultural Barriers to Education: State-run Islamic Schools and Girls’ Education in Turkey

*Unpublished manuscript*

**Essay 2:** Religious Schools and Voting: Evidence from State-run Islamic Schools and Political Islam in Turkey

*Unpublished manuscript*

**Essay 3:** The Mission and the Brotherhood: The Role of Colonial Christian Missionaries on Contemporary Politics in Egypt

*Unpublished manuscript*
Introduction

Over the past 20 years, economists have come to realize that culture is a central factor in the economic behaviors of individuals, from day-to-day decisions, to long-term economic growth, and to political choices. Among all cultural systems, religion undoubtedly gathered the most attention. (See Iannaccone (1998) and Iyer (2016) for surveys of the economics of religion.) Yet, there is little research on the economic and political consequences of the interaction between religion and educational institutions.

This dissertation involves closely linked three essays with the goal of shedding light on the economic and political consequences of religious educational institutions. The first two essays are closely attached, as they exploit the same quasi-experiment and quantitative methodology. While Essay 1 explores the economic consequences of access to state-run Islamic secondary schools in Turkey in the 1970s, Essay 2 examines the political consequences. Essay 3 studies the role of colonial Christian missionaries on contemporary politics in Egypt and its underlying mechanisms. Following is a brief summary of each essay.

Essay I: Removing Cultural Barriers to Education: State-run Islamic Schools and Girls’ Education in Turkey

As economists, we are interested in how broader social factors in formal institutions affect economic behavior. When it comes to education, the work done over the past couple of decades has shown that education is not only an investment for human capital but also an effective way to impart cultural identities and norms through institutions (Alesina and Reich, 2015; Ansell and Lindvall, 2013; Bandiera et al., 2019; Cantoni et al., 2017.). At the same time, parents also desire to transmit their cultural traits to their children (Bisin and Verdier, 2000, 2001). What happens if institutions’ cultural identities conflict with parents’ preferred identity of transmission? Theory suggests that parents may resist education by keeping their children out of school if it is not costly and enforced (Akerlof and Kranton, 2000, 2002; Carvalho and Koyama, 2016). Then, the question is whether making educational institutions inclusive toward culturally excluded groups would reverse such a cultural backlash and effectively keep those groups in the education system and decrease inequalities toward them.
This essay tackles this question by examining the access to state-run modern Islamic secondary schools in Turkey in the 1970s. Islamic schools expanded rapidly after the 1973 elections when a relatively small Islamist party mandated during the coalition talks the opening of already built or half-built Islamic school buildings by local effort, which previous governments did not give opening permissions. However, girls only achieved their legal rights to participate in Islamic schools after an unexpected ruling by a highly secular judicial body in 1976. As a result of these two events, the enrollments in Islamic schools increased sharply for both genders, but almost threefold for boys relative to girls.

To empirically assess the impacts of access to Islamic schools, I construct a new data set that contains the locations and founding years of the Islamic schools built by 1980 and combine it with a nationally representative 5% micro-sample of the 1990 population census. Then, I employ a difference-in-differences strategy by exploiting the variation in exposure to Islamic schools across district centers and cohorts. The main idea is that older cohorts living in both treated and comparison district centers were not exposed to Islamic schools—since they were already past secondary schooling age—and only the younger cohorts living in a treated district center were exposed to the treatment after the access to Islamic schools. Exploiting this quasi-exogenous variation, I find that when Islamic schools became available as an alternative to secular schools, the likelihood of completing lower and upper secondary school increased for girls. At the same time, effects for boys were systematically smaller and statistically nonsignificant. These findings imply that while Islamic schools effectively induced religious parents to keep their daughters in the education system—who would otherwise drop out after primary education—they mainly enabled some parents to substitute secular schools with Islamic ones for their sons.

Moreover, I find that affected female cohorts had lower fertility and higher labor force participation during early adulthood. Overall, my results imply that access to Islamic schools had an empowering effect on women by keeping girls from religious families within the school system and incorporating them into public life. Thus, relaxing strictly secular institutions, which excluded religion from the public sphere, had achieved to have progressive outcomes for some girls from religious families, which was one of the original aims of the Turkish republic’s secularization efforts.

This essay makes several novel contributions. It provides the first causal evidence that the culturally inclusive design of education systems may reverse cultural backlash, increase the education levels of culturally marginalized communities, and decrease inequalities. This essay is also the first to show that providing a culturally safer school environment that eliminates religion-based participation barriers to education may effectively keep girls in schools and improve their outcomes related to women’s empowerment in a conservative and low-income context, where girls’ participation in secondary education is strikingly low. In that regard, this essay is the first to study the causal link between modern Islamic schools and outcomes related to women’s empowerment.
Essay II: Religious Schools and Voting: Evidence from State-run Islamic Schools and Political Islam in Turkey

Essay I provides evidence that Islamic schools may benefit girls’ schooling and their integration into public life and labor markets. What were the political consequences of exposure to Islamic schools in those treated district centers? This is a natural follow-up question that immediately comes into mind after the first essay due to the use of education for nation-building purposes by the political elite. Beginning from the 19th century, many states have introduced secular mass schooling and compulsory schooling laws to curb the influence of religion on political and public institutions. Since then, the provision of religious education by the state has been a central debate in politics. Previous literature shows that religious institutions—broadly defined—in Islam and Judaism contribute to the strengthening of sectarian religious parties. Yet, there isn’t any empirical evidence establishing the direct causal link between state-run religious schools and voting behavior in electoral democracies.

This essay leverages the same quasi-experiment as the first essay and studies the consequences of access to state-run Islamic secondary schools during the 1970s on electoral outcomes in Turkey. To isolate the causal effect of Islamic schools on electoral outcomes, I exploit the variation in exposure to an Islamic school across district centers and election periods in a difference-in-differences framework. I compare the electoral results in district centers with and without an Islamic school over a period between 1969 and 1995.

I find that district centers with an Islamic school voted significantly more for Islamist parties after exposure to Islamic schools. I find no effect on the first election held shortly after the Islamic school expansion indicating voters do not reward openings or short-run benefits of Islamic schooling. The effect emerged after the first students came voting-age and prolonged exposure to Islamic schools, allowing sufficient duration for local mobilization. In the most conservative specification, the increase in Islamist party vote share after exposure is, on average, 1.8 percentage points, or about 15% relative to the mean. The magnitude of the treatment effect is substantial, as it explains about 30% of the surge in Islamic party support in treated district centers between 1973 and 1995. Overall, mainstream secular center-left parties were the electoral losers of Islamic school access. This result is driven by the localities with an initial lower attachment to secular party politics. This essay also rules out several alternative explanations, including increased visibility of Islamic brotherhoods in public life, economic liberalization, and geographic sorting.

This essay contributes to the literature on the role of religious institutions on political support for religious parties. It provides the first evidence on the direct causal link between exposure to state-run religious schools and the electoral support for religious parties in a secular electoral democracy. Therefore, the findings of this essay shed light on the incentive of political actors with religious affiliations to promote religious education to achieve electoral success.
Essay III: The Mission and the Brotherhood: The Role of Colonial Christian Missionaries on Contemporary Politics in Egypt

A broad range of studies in economics and political science literature documented that their investments had long-term economic and political consequences in today’s world across different continents contexts (Valencia Caicedo, 2019; Waldinger, 2017; Nunn et al., 2014; Calvi et al., 2020; Calvi and Mantovanelli, 2018; Cage and Rueda, 2020; Bai and Kung, 2015; Castello-Climent et al., 2018). Specific to political consequences, exposure to historical Christian missionaries is positively associated with democracy, political participation, nationalist backlash, and state capacity (Woodberry, 2012; Lankina and Getachew, 2012; Owolabi, 2015; Wantchekon et al., 2015; Cage and Rueda, 2016; Henn et al., 2021; Mattingly and Chen, 2021; Dulay, 2021). Have Christian missionaries had any repercussions in contemporary politics going beyond political participation and democratization, shaping the current world’s political environment and institutions?

This essay investigates historical Christian missionaries’ role in Egypt on contemporary electoral support for Islamist movements. Initially, Christian missionaries arrived in colonial Egypt to convert Muslims and indigenous Copts to their denomination. Along the way, they also provided education, health, and other welfare services in the regions they operated to win the hearts and minds of locals. This essay leverages several historical and contemporary datasets consisting of information on historical locations of Christian mission stations and Muslim Brotherhood branches and contemporary electoral results and demographic characteristics.

To empirically assess the role of historical Christian missionaries on contemporary support for Islamist movements, I estimate an econometric model of electoral outcomes in the 2012 Egyptian presidential elections—such as Muslim Brotherhood and Islamist’s combined vote shares—on the logged distance between a district’s centroid and the nearest Christian mission station. After controlling for geographic, historical, and time-invariant governorate characteristics, I find a robust positive (negative) link between distance (proximity) to a mission station and electoral support for Islamist movements. In the most demanding specification, a 1 percent increase in distance (proximity) to a mission station is associated with a statistically significant 2.3 percentage points increase (decrease) in the first-round vote share of the Muslim Brotherhood candidate and a 3 percentage points increase (decrease) for all Islamists combined. Importantly, I find no relationship between historical Muslim Brotherhood presence and neither contemporary Islamist support nor historical Christian missionary exposure.

What were the mediators behind the association between the historical Christian missionary exposure and contemporary political outcomes in Egypt? I show that increased education and urbanization explain about half of the association between the historical Christian missionary exposure and support for Islamist candidates. I further rule out that religious conversion or historical religious competition were underlying mechanisms of my findings. Nonetheless, the un-
explained parts of the association between missionary exposure and contemporary Islamist support—due to data limitations—demand further analysis for other relevant mediators behind my results.

This essay makes several novel contributions by showing that historical Christian missions may have repercussions in contemporary politics beyond political participation through voting behavior, therefore, shaping the modern-day political environment and institutions. I also show that, even in the absence of religious conversion, competitor religious institutions may weaken the support for religious parties of opposite denominations as a result of socio-economic transformation in the society due to their investments in education and other welfare activities.


