

# Research Summary

## Economic and Social Integration of Minorities: The Effect of WWII on Racial Segregation

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Does exposure of two different cultural groups in the workplace affect their social interaction? And if so, is this effect positive or negative? I study these questions in the U.S. setting by utilizing WWII as an exogenous shock to the inter-group workplace exposure of blacks and whites. Before the war, the majority of black workers was employed in low-skilled agricultural jobs with little contact to whites. During and after the war a significant shift to semi-skilled jobs occurred together with the relocation of blacks from rural to urban areas. In theory, the effect of this higher exposure of whites to blacks is ambiguous. Increased economic cooperation and working towards a common goal may reduce stereotyping and promote social integration, i.e. positive non-market interaction between the two groups. On the other hand, if blacks and whites perceive each other as rivals for employment, promotions, and wages, then this can create the exact opposite effect.

The contribution of this paper is therefore twofold. First, difference-in-differences results show that the influx of blacks from low- to semi-skilled jobs is more pronounced in states and counties with a higher WWII casualty rate among semi-skilled whites. To construct this casualty measure I link the WWII Enlistment Records of 8.3 million soldiers with more than 300,000 entries in the WWII Honor List of Dead and Missing. The enlistment records contain information on a soldier's race and pre-war occupation. This allows to construct an accurate measure of fallen white men who worked in semi-skilled jobs prior to the war. Using individual level data from the Census, a one standard deviation increase in the casualty rate of semi-skilled whites increases blacks' probability of finding a semi-skilled manufacturing job in 1950 by 7 percentage points. It also raises the share of blacks in semi-skilled jobs by 1.6 percentage points when using county-level data.

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Second, the casualty-induced skill upgrade of blacks has positive and significant effects on their social integration and interaction with whites. The latter is measured by the probability of having an interracial friendship, interracial communications about communal or political issues, and reduced repercussions for blacks for political involvement. Information on these outcomes come from the “Negro Political Participation Study” of 1961, a value survey which randomly sampled 618 black and 694 white adults in the U.S. South. When instrumenting the change in the share of blacks in semi-skilled jobs from 1940 to 1950 with the WWII casualty rate among semi-skilled whites,

$$\Delta\text{share of blacks}_{cs} = \psi_s + \beta\text{casualty rate}_c + X'_{ics}\gamma + \rho_{cs} \quad (1)$$

$$\text{social outcome}_{ics} = \psi_s + \phi\Delta\text{share of blacks}_{cs} + X'_{ics}\delta + \epsilon_{ics} \quad (2)$$

for individual  $i$  in county  $c$  in state  $s$ , IV results show strong and positive effects of the casualty-induced skill upgrade of blacks on their social standing and integration. These findings are independent from income and mobility effects.