

Abstracts of Posters Presented at the Annual Meeting

Land Rent and Lease Markets in Central Spain, 1500–1600

Land tenure institutions are essential elements for understanding economic performance. In the early modern period, there was considerable regional variation in these institutions, yet regional-level data is exceedingly scarce. I build a database of land rent paid on 100 representative farm estates belonging to the Cathedral Chapters of Toledo and Sigüenza, in New Castile, between 1500 and 1600. Using information on location, identity of the renter, and the type of contract, I study the effects of the legal status of the land and its mobility over time. Despite large institutional contrasts between these two land leasing markets, the differences did not seem to exert a significant influence on economic performance: farmland rent increased more than 60 percent in each case. It is more likely that geographically concentrated phenomena, like the growth of nearby cities (Madrid, Toledo), exercised a major influence by allowing leases to be transferred with greater ease.

DAVID AGUDO, *Universidad Complutense de Madrid*

Commons and the Standard of Living Debate in Spain, 1860–1930

Biological living standards stagnated or even declined during the transition to modern economic growth. Although income per capita was increasing, other indicators, such as mortality rates or heights, portrayed a completely different image. This paper adds to the standard of living debate by analyzing the potential effect of the privatization of common lands. Although highly controversial regarding its impact on the modernization process itself, its contribution to human welfare has somewhat received much less attention. Focusing on the Spanish experience, this paper exploits geographical variation over time by collecting a panel data set at the provincial level on three different periods: 1860, 1900, and 1930. The empirical analysis shows that the privatization of these collective resources significantly reduced life expectancy and heights, particularly during the second half of the nineteenth century.

FRANCISCO BELTRÁN, *University of Oxford*

Fiscal Policy in a Depressed Economy: Evidence from Digging Holes and Filling Them

I use historical data on military spending on a strategic defense system—the Maginot Line—during the interwar period in France to estimate the effects of fiscal policy in a depressed economy. Planning for the construction of the defense system took place in the 1920s, while actual spending mostly occurred in the 1930s, during the Great Depression. Factors such as the natural local terrain, and the location of military threat generated variations in spending across space and time that were not related to current or expected levels of economic activity in these areas. I use these variations to estimate what Nakamura and Steinsson call an “open economy relative multiplier.” I also investigate the impact of this program on deflationary pressures by exploiting disaggregated price indexes.

JEREMY COHEN-SETTON, *University of California, Berkeley*

Crime and Schooling in the Early-Twentieth-Century U.S. South

This paper examines the effect of schooling on crime in a historical context. I use the construction of 5,000 new schools for Southern black students, funded by northern philanthropist Julius Rosenwald between 1913 and 1932, as a natural experiment which increased the educational attainment. I match prisoners and non-prisoners from the 1930 and 1940 Censuses back to their childhood families in previous census waves. My research design exploits variation across cohorts within communities in access to a local school. The results show that access to a school reduces the probability of a black child becoming a prisoner later in life; Rosenwald schools decreased incarceration gaps between whites and blacks by 28 percent. To probe into who benefited the most from the construction of schools and to measure contemporaneous incarceration, I collect more detailed information about the sample born in North Carolina. I collect childhood household characteristics such as number of siblings, father's occupation, literacy, and home ownership, as well as the number of juvenile offenses by county. I then break down the effect of school availability by parents' literacy or socioeconomic status on contemporaneous and future incarceration. The historical setting allows me to measure the effect of schools on children who might not have attended school at all and are therefore still relevant today in the context of developing countries.

KATHERINE ERIKSSON, *University of California, Los Angeles*

Politics, Public Infrastructure, and Economic Growth: A Case Study of the Interstate Highway System

The construction of the Interstate Highway System (IHS) remains an unparalleled public infrastructure project in rural America bringing both demographic and economic transformation. This paper examines the effect of the IHS on population, income, and several measures of industry growth using county-level panel data from the U.S. Census Bureau and the U.S. Department of Commerce. Preliminary results from a fixed-effects ordinary least squares model reveals a consistently positive relationship between interstate highways and several economic and demographic outcomes. Comparing treatment effects within 1950 outcome quartiles uncovers strong distributional effects. Historical evidence indicates the placement and timing of highway construction was an intensely political process suggesting that location decisions and federal funding allocation decisions were not exogenous to rural areas. To overcome these endogeneity concerns regarding highway location, I propose a new instrumental variable for determining highway location and examine how congressional prioritization of funding allocation influences treatment effects.

DUSTIN FRYE, *University of Colorado, Boulder*

The Rise of Education in Twentieth-Century China

China's education experienced dramatic transformations and remarkable progress through the twentieth century. Unfortunately, empirical studies on human capital for China before 1978 are so limited so far that economic historians are still uncertain about basic questions. Firstly, this paper provides a long-term series of human capital stock in China through the twentieth century. The finding also reveals an intra-Asian

divergence in terms of human capital between 1920 and 1960, while the gap began to narrow afterwards. Additionally, to investigate the determinants of the rise of modern education in China, regional level data is used to explain the widely different educational progress across China. Our results suggest that decentralization is important; but under a nondemocratic society, other factors, such as the characteristics of the political elites and historical persistence of traditional education, also help to explain the regional distribution of educational outcomes across China.

PEI GAO, *London School of Economics*

Customs and Trade Costs, 1800–2010

The early stages of the trade globalization, before 1860, have been investigated through price convergence (O'Rourke and Williamson 2002) but not using customs data. Relying on Jacks et al.'s method (2006, 2008), we compute yearly aggregate trade costs for a sample of four countries over a 210-year period ranging from 1800 to 2010. The tariff-equivalent trade costs we compute encompass all possible trade barriers and they reflect the extent to which international trade is hampered, relative to intranational trade. Our sample includes France, Britain, the United States, and the Netherlands. Of the 1,266 theoretical observations, we manage to compute 1,109 yearly bilateral trade costs. We perform the same exercise for the British-U.S. and the Franco-British relationships for the 1720–1800 period. We find no evidence that trade costs may have fallen during the eighteenth century for the Franco-British, nor for the British-U.S. relationship. However, we document a sharp fall in the years that immediately followed the Congress of Vienna. Then, we disentangle the roles played by transport costs, tariffs, and exchange rate volatility in determining trade costs for the 1820–2010 period. We find that our trade costs are consistent with those factors. Finally, we isolate the roles played by economic growth and trade cost reduction in shaping each period of globalization.

JULES HUGOT, *Sciences-Po Paris*

A Failed Institutional Assimilation: The American Attempt to Restructure German Banking Regulation After the Second World War

After the Second World War, the Americans forced far-reaching structural changes on the German regulatory regime, the central bank, and the largest universal banks, in an effort to create a decentralized banking system similar to that in the United States. However, these changes were reversed step-by-step as the Americans withdrew from German politics. This historical episode can be interpreted as a natural experiment. It tests the hypothesis that the decentralized regulation of the banking sector in the United States was a second-best arrangement merely held in place by the U.S. constitution's extensive state rights. In the absence of these institutional constraints, no such system would have evolved and persisted.

NIELS KRIEGHOFF, *London School of Economics*

How Did the “Household Revolution” Affect Families?

Guided by historical evidence that modern household technology both reduced the time demands of home production and directly raised levels of health, I study how the diffusion of modern appliances and electricity into the home affected families in the United States between 1930 and 1960. To address endogeneity in household use of modern technology, I construct a new data set of the U.S. power grid. I estimate IV models, exploiting variation in the cost of providing power to different communities based on the construction of new power plants throughout this period. The diffusion of modern technologies led families to make a quantity-quality tradeoff: modern appliances were associated with increases in early school attendance, decreases in infant mortality, and declines in fertility. Further empirical work suggests that household technology improved child quality both directly and indirectly through changes parental investments. Although women did not immediately enter the workforce, there was a relative increase in school attendance among high school girls, which could have led to a long-run increase in female labor force participation. These results add to our understanding of the educational and mortality transitions in the United States, and provide insight into the potential benefits of infrastructure investment in developing countries.

JOSHUA LEWIS, *University of Toronto*

Changes in the Bullion Content of English Coins and Exchange Rates, 1544–1560

During the Great Debasement, the bullion content of pound sterling fell by 25 percent in gold and 83 percent in silver. In the commodity money system, the exchange rate between two currencies is largely determined by the bullion content of these two currencies (the mint parity). Does the graph above imply that the Anglo-Netherlands exchange markets were inefficient in adjusting to monetary alteration? As the mint parity between two currencies did not entirely depend on the standard of coins given in mint indentures (the official parity) but on “the average metal content of the coins actually in circulation, in which payments were made,” my research is going to show that the Anglo-Flemish exchange market was well-integrated and sufficiently efficient, but the speed of adjustment was severely hampered by the monetary alteration. The role of information was critical in determining the speed of adjustment.

LI LING-FANG, *London School of Economics*

Uncertainty and the Great Depression in the United States

It is well-known that the United States of the 1930s faced exceptional economic uncertainty. The Great Stock Crash of 1929, unprecedented waves of banking failures, and the path of monetary policy are only some of the major sources of economic uncertainty in this period. I extend many of the leading theories of the Great Depression as working through an uncertainty channel. For example, uncertainty over monetary policy and the survival of the banking system magnified the direct negative effects of these factors. Stock volatility, a common measure of uncertainty, rises to levels unrivaled in persistence and size during the sharp output collapses of 1929–1933 and 1937/38. The narrative section examines the historical record and business press to construct a timeline of major events that drove uncertainty.

I apply vector autoregression methods to the 1929–1941 period to produce econometric estimates of the impact of uncertainty on the broader U.S. economy over time. A New Keynesian model DSGE uncertainty shocks model is calibrated for the 1930s and simulations show that uncertainty shocks could have contributed significantly to business cycles during the 1930s. Based on these multifaceted sources of evidence, I find that uncertainty was a significant factor in determining the course of the Great Depression in the United States.

GABRIEL MATHY, *University of California, Davis*

Women's Income and Marriage Markets in the United States: Evidence from the Civil War Pension

This paper explores the effect of an exogenous increase in income on women's marital outcomes using data from the Civil War pension files. A model of search in the marriage market predicts that such an income shock will increase the time a woman spends searching and the average quality of her mate. The magnitude of this effect provides insight into the gains women perceived from marriage. Widows' pensions can be considered such an income shock because eligibility depended only on the husband's military service and the circumstances of his death; moreover, pensions ceased upon remarriage. I draw a sample of widows from the Union Army database created by the CPE, and I collect information about these widows' pensions and subsequent marriages from the Civil War pension files at the National Archives. Results indicate that receiving a pension lowered the rate of remarriage by approximately one-third.

LAURA SALISBURY, *Boston University*

Health, Gender, and the Household: Children's Growth in the Marcella Street Home, Boston and the West London School District

This paper measures the relative deprivation of children admitted to the Marcella Street Home (MSH) in Boston (1889–1898) and the West London School District (WLS D) (1908–1917) and compares the catch-up growth of boys and girls, a proxy for health and nutritional conditions before entering the institutions. The study yields two interesting results. First, children in the MSH who suffered from epidemic diseases such as measles and mumps did not have slower growth than their healthy counterparts. This suggests that more fatal, short-term diseases did not affect growth in the long run. Second, in both the MSH and the WLS D, girls experienced faster height gain relative to modern standards than boys. These results imply that girls were discriminated against in the allocation of household resources before entering these institutions. This finding is contradictory to household budget studies, which found no gender discrimination in household resources (Horrell and Oxley 1999; Logan 2007).

ERIC SCHNEIDER, *University of Oxford*

Why Did They Wander? The Jewish Migration from the Pale of Settlement to the United States, 1899–1914

This paper studies the causes of the mass migration of Jews from the Russian Empire to the United States in the years 1899–1914, and seeks to improve the understanding of the dynamics of mass migration movements in general. It addresses the following questions: Were Jews economic migrants or did they emigrate from Russia because of violence and persecution? What is the explanation for the great volatility of migration flows in the age of mass migration? Which factors account for the age composition of migrants at that time? I rely on newly coded and extensive data on late Imperial Russia's 5 million Jews and the violence they had suffered, and on more than a million of Jewish migrants who left to the United States. In particular, these data allow for measuring yearly flows of migration from each of the 230 districts of the Pale of Settlement. I utilize these data in a dynamic discrete choice model with unobserved heterogeneity, which captures the facts that prospective migrants differ across each other and across time in their propensity to emigrate. I argue that accounting for the option to time the decision to emigrate, and for the unobserved composition of the population with respect to the heterogeneous tendency to emigrate enables testing new explanations for two striking features of the migration flows in the age of mass migration: the astonishing year-to-year volatility in the magnitude of migration flows, and the skewed age composition of the population of migrants.

YANNAY SPITZER, *Northwestern University*

Three Essays on Agricultural Technology, Land Tenure System, and Land Ownership in Qing China

The dissertation project studies agricultural technology, land ownership, and land tenure system in the Qing Dynasty. The project analyzes a database of land contracts and rent collection records from Shandong Province and Anhui Province. The database features two important historical events—the adoption of double-cropping and the Taiping Rebellion (1850–1864). 1) The first essay: Did double-cropping cause the shift from share tenancy to fixed-rent tenancy? The alternative hypothesis was the absentee landlordism theory. I test the hypothesis by exploiting a unique data set gathered from the rent collection records of Confucius's Lineage. I found that wheat-soybean double-cropped lands were 30 percent more likely to have fixed-rent tenancy than annually cropped lands. 2) The second essay: Was the decline of agricultural development in the Qing Dynasty caused by the extraction of absentee landlords divorced from land management? This question is related to the agricultural stagnation debate. I used the same source of rent collection data to explore how landlords and peasants split the agricultural products when there was a technological improvement. 3) The third essay: Why did land co-ownership exist in Anhui in the Qing Dynasty? This is related to the debate on scattering. My hypothesis is that joint ownership protected the landlords from rent delinquency. The competing hypothesis is risk spreading against natural disasters. My explanation is that by allying with other landlords, co-owners would share the cost of rent collection, enforcement, negotiation, and court fees.

HELEN YANG, *George Mason University*

Canadian Economy from the Late Nineteenth Century to Today: Success or Failure?

The traditional view of the Canadian economy from the late nineteenth century onward has been one of failure relative to the United States. A sectoral analysis of PPP-adjusted Canadian productivity in the context of other “settler economies” (Australia, New Zealand, Argentina, and South Africa) reveals a different story. The Canadian economy was characterized by comparatively strong and sustained growth in real output per capita and labor productivity. Although Canada remained dwarfed by the United States, it was able to catch up to output leaders Australia and New Zealand, while remaining ahead of Argentina and South Africa. Despite being singled out as an area of failure in previous literature, my work reveals Canadian industry to have contributed significantly to output and productivity growth. The process of Canadian catch-up in productivity was also largely driven by its impressive performance in services and its ability to fully exploit linkages from its staple industries before World War I. My research identifies three particular periods of relative Canadian success; the 1880s to World War I, the 1920s and World War II to the 1970s. Particular focus is given to the National Policy (1879), the global downturn of the 1890s, the “Canadian Wheat Boom,” shifts in trade policy, and the role of the United States. Early results indicate that proximity to the United States was significant in terms of access to U.S. investment and intermediate goods rather than as a vent for Canadian staple exports.

NICHOLAS ZAMMIT, *University of Warwick*

The Xianfeng Inflation Puzzle (1851–1861): Government Finance and Currency Depreciation in Early Modern China

Since the mid-nineteenth century, the Imperial Government was under constant fiscal stress due to wars and rebellions. The situation aggravated during the reign of Emperor Xianfeng (1851–1861), when the Taiping Rebellion occupied the most prosperous regions for taxation and cut off the government’s access to copper mines (for money minting). However, abnormalities occur when one looks at the figures of government income and expenditure: except for a dive during 1853/54, both income and expenditure increased dramatically and hit a historical high in 1859; furthermore, during most of the Xianfeng Period, income exceeded expenditure. Based on the Imperial Treasury records, this paper shows that through paper money creation the government did manage to cover its fiscal deficit. However, the seigniorage revenue came at an expense of increasing inefficiency and a collapse of the monetary system.

XUN YAN, *London School of Economics*

The Institutional Persistence of Historical Legacies: Evidence from Central Eastern Europe

Could empires that ruled Europe for centuries have left an institutional imprint on the modern states of Central Eastern Europe? Twenty years after the start of transition, the countries of South Eastern European region still diverge from the Central and Baltic neighbors not only on development outcomes but also on institutional parameters. This paper argues that differences in economic development in the CEE region might be determined on large part from a divergence on formal and informal institutions shaped from centuries of imperial domination. More specifically, the

institutional imprint of the Ottoman legacy and the empire's bureaucracy at a local level is argued to be a source of different performance for the hereditary countries. The impact of institutions on growth is analyzed at the country level considering long-term historical legacies with an IV approach and capturing the formal and informal institutional performance using the World Governance Indicators. Analytical narrative identify the specific channel of transmission of the institutional persistence of the Ottoman legacy for SEE countries: the change in the tax system after the treaty of Karlowitz (1699) that lead to a progressive spread of uncertainty, poor governance, distrust and corruption of authorities in the region. Spatial regression discontinuity, combined with Geographic Information System (GIS) analysis is used to investigate the historical persistence of this cultural aspect, namely informal institution. The analysis exploits household survey data on the propensity to bribe local officials. By overlapping historical and present-day maps, household are spatially located in both sides of the Karlowitz border allowing to capture a within- country variation. Results evidence the corruption attitude to be higher among households on the "former" Ottoman region of the border. Consumption per capita and light intensity data serve as proxy for testing development divergence at the border level.

ELIRA KARAJA, *IMT-Lucca Institute for Advanced Studies and University of California, Berkeley*