

# 4th Washington Area Economic History and Development Economics One Day Conference

Friday January 9 2015

Prosperity Conference Room  
George Mason University,  
Mercatus Center at George Mason University  
3434 Washington Blvd., 4th floor, Arlington, VA 22201  
(703) 993-8129

## Brief Schedule

9.45–10.00 Coffee and snacks.

10.00–10.45 Mark Koyama (with Melanie Meng Xue), The Literary Inquisition: The Persecution of Intellectuals and the Accumulation of Human Capital in Imperial China.

11.00 –11.45 Remi Jebwab, Malthusian Dynamics and the Rise of the Poor Megacity

12.00–1.00 Lunch

1.15–2.00 James Fenske, “Colonialism, cotton and famine in India, 1858-1914,” with Namrata Kala.

2.15-3.00 Naureen Karachiwalla, Upping the ante: The Equilibrium Effects of Unconditional Grants to Public Schools

3.00-3.15 Coffee and snacks

3.15-4.00 Jenny Guardado, Violence as a Channel of Persistence: Evidence from the Peruvian Mita

4.15–4.45 Noel Johnson (with Remi Jebwab and Mark Koyama), Bones, Bacteria and Breaks: The Effects of the Black Death on Urban Economic Development

*We are grateful to the Mercatus Center for hosting and sponsoring the Workshop*

## **Paper Abstracts**

### **The Persecution of Intellectuals and Human Capital Accumulation in Imperial China**

Imperial China used an empire-wide system of examinations to select civil servants. Using semiparametric matching-based difference-in-differences estimator, we show that the persecution of scholar-bureaucrats led to a decline in the number of examinees at the provincial and prefectural level. To explore the long-run impact of literary inquisitions we employ a model to show that persecutions could reduce the provision of basic education and have a lasting effect on human capital accumulation. Using the 1982 census we find that literary inquisitions reduced literacy by between 2.25 and 4 percentage points at a prefectural level in the early 20th century. Prefectures affected by the literary inquisition had a higher proportion of workers in agriculture until the 1990s.

### **Malthusian Dynamics and the Rise of the Poor Megacity? Remi Jedwab and Dietrich Vollrath**

The largest cities in the world today lie mainly in relatively poor countries, which is a departure from historical experience, when the largest cities were typically found in the richest places. Further, these poor mega-cities have grown through high rates of urban natural increase, as opposed to the in-migration that drove historical urbanization. In this paper we provide an explanation for the rise of these poor mega-cities and their departure from the historical norms. Combining models of urban agglomeration and congestion with Malthusian models of endogenous population, we show that cities can exert Malthusian forces on living standards. Poor mega-cities have grown because their rapid rate of natural increase exerts a downward force on urban wages, which ensures that natural increase remains high, the mega-cities remain poor, and their size is unrelated to productivity. In comparison, rich mega-cities of the past had low rates of natural increase, ensuring that they could take advantage of agglomeration technologies, and city growth occurred in response to productivity improvements. Our work shows that Malthusian forces do not disappear just because an economy urbanizes, and that urban Malthusianism combines with rapid urban population growth to drive developing poor mega-cities towards stagnation even if they do not face limits to their resource stocks.

### **Violence as a Channel of Persistence: Evidence from the Peruvian Mita**

In this paper I argue that political conflict is a powerful channel of persistence through which historical institutions affect present-day development outcomes. Relying on the geographic regression discontinuity design implemented by Dell (2010) in Peru, I show how the effects of a colonial forced labor institution (mita) led to worse economic performance by deepening political conflict—particularly

political violence — which in turn created an environment unfavorable for economic development. Specifically, forced labor colonial institutions caused recurrent episodes of anti-colonial rebellions during the 18th century and higher levels of Shining Path’s violence during the 1980’s and 1990’s in forced labor districts. The results imply: first, that recurrent political conflict is an important mechanism of transmission of historical legacies. Second, that part of the variation in violent conflict observed in recent episodes of political violence can be traced back to differences in local extractive colonial institutions.