

Why Development Needs History

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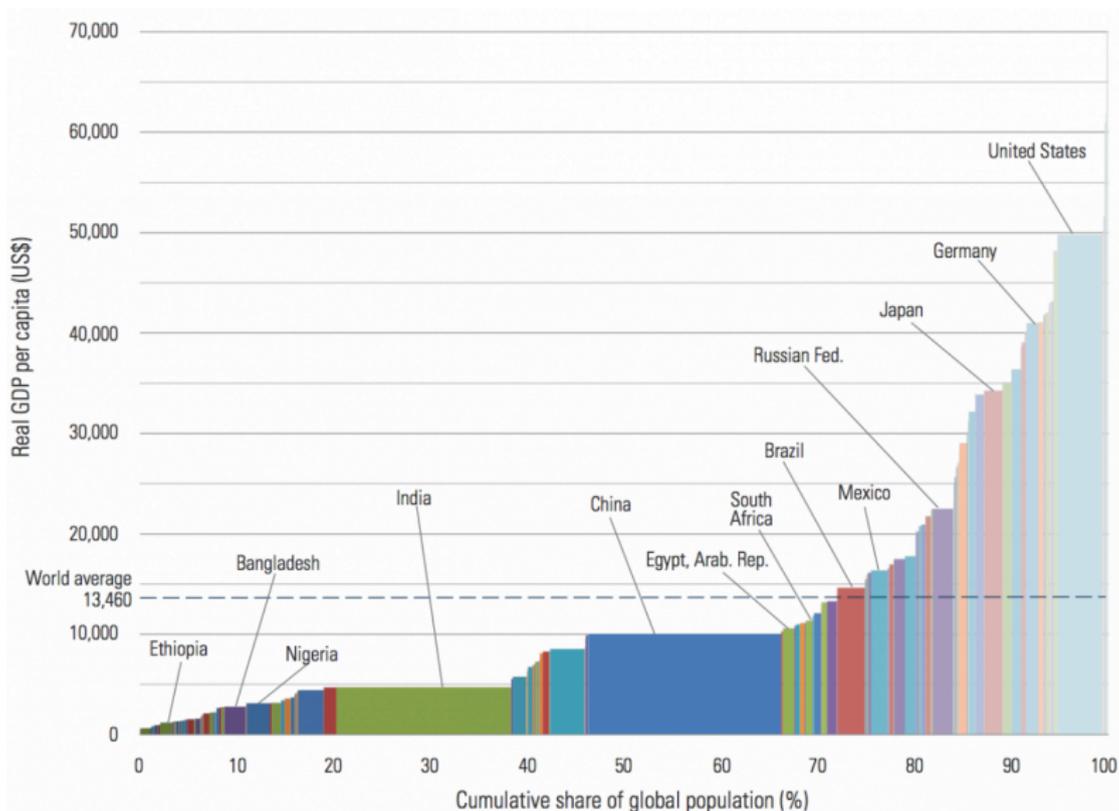
History and Economic Development

- It is true that history **is useful** for understanding economic development.
 - Provides more data to analyze.
 - Historical experiences of rich countries is informative for developing countries.
 - Provides the ability to look at medium- and long-run impacts.
 - Provides natural experiments (especially useful for things we can't randomize).

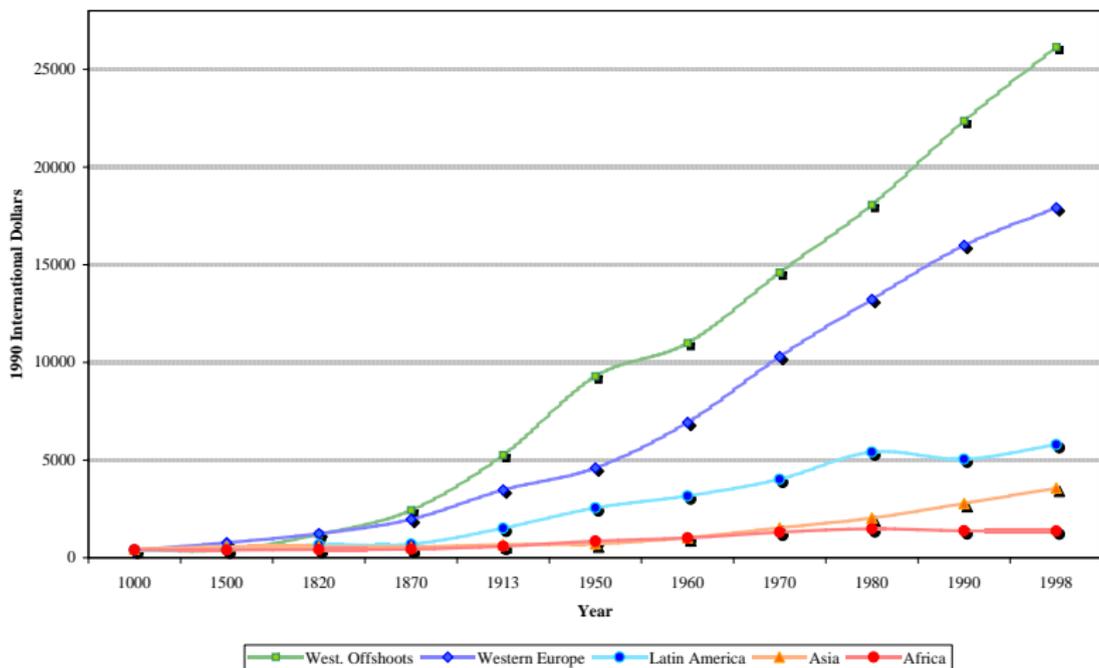
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 - Provides the ability to look at medium- and long-run impacts.
 - Provides natural experiments (especially useful for things we can't randomize).
- But, I want to argue more:
 - That history **is necessary** for understanding economic development.
 - Without it, our understanding of economic development is incomplete (at best).

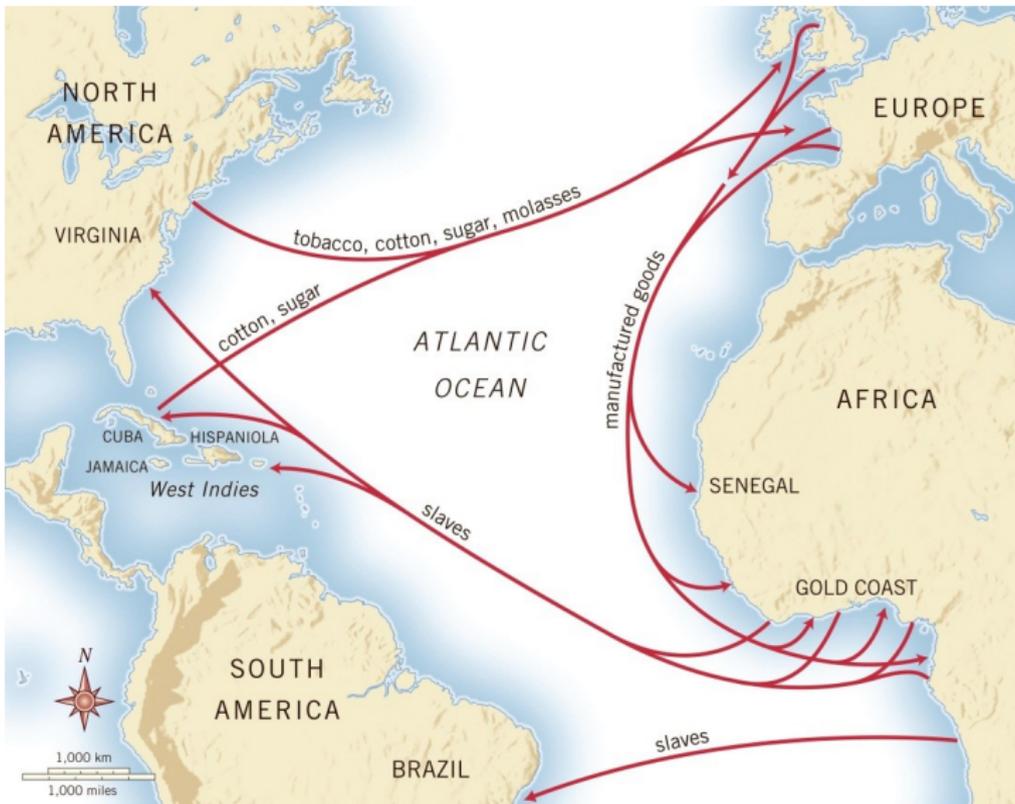
Global Distribution of World Income, 2011



The Evolution of Regional Incomes



Historical Divergence: The Triangular Trade



The Rise of the Atlantic Traders (Acemoglu et al., 2005)

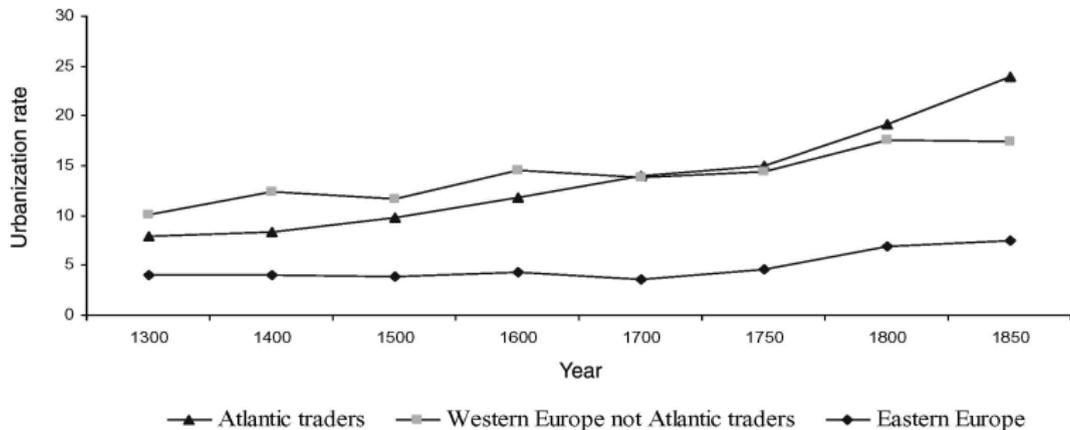
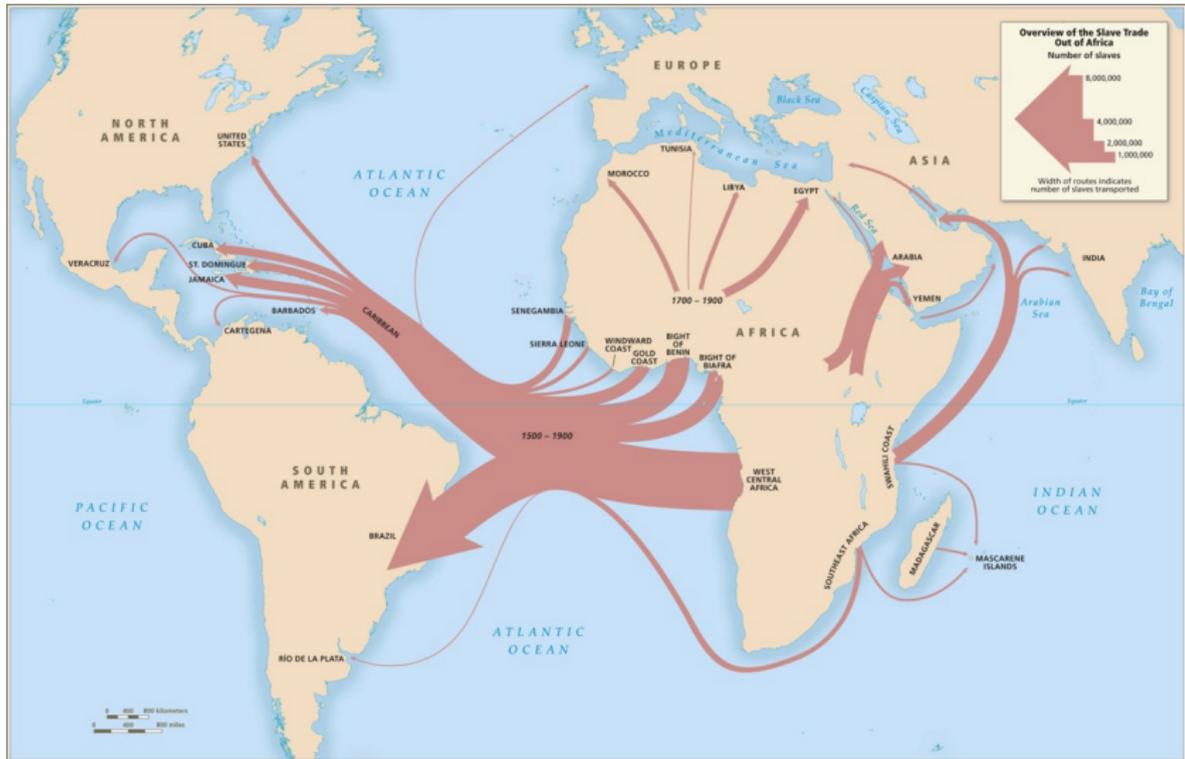
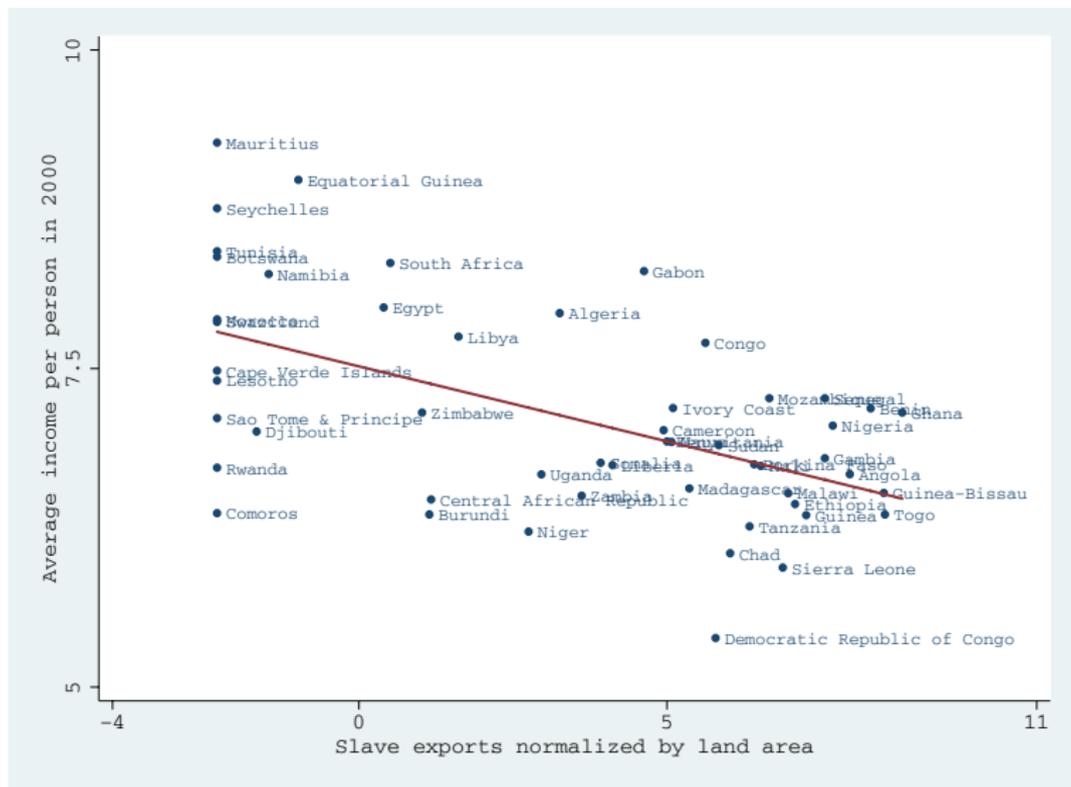


FIGURE 1B. ATLANTIC TRADERS, WEST EUROPEAN COUNTRIES NOT ATLANTIC TRADERS, AND EASTERN EUROPE: URBANIZATION RATES, WEIGHTED BY POPULATION, 1300–1850

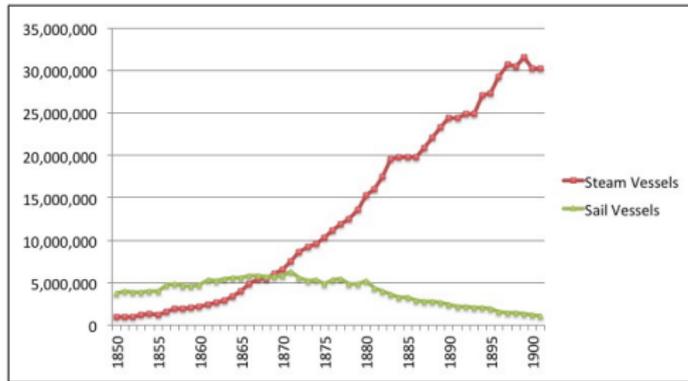
Africa's Slave Trade



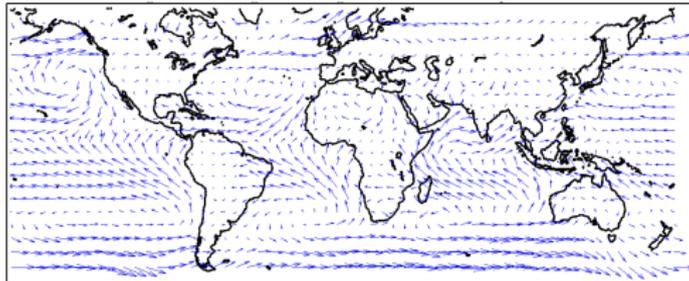
Africa's Slave Trade (Nunn, 2008)



The Shift from Sail to Steam (Pascali, forthcoming)



(a) Tonnage of vessels entering British ports

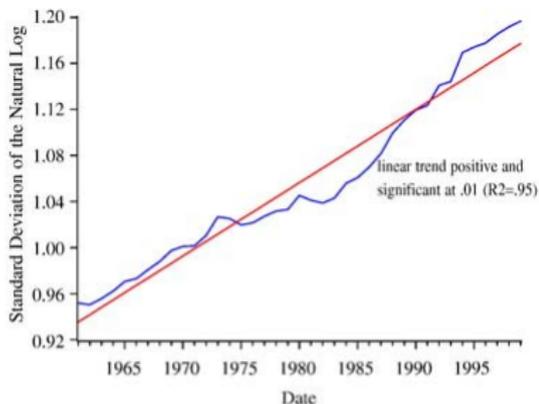


(b) Prevailing January winds

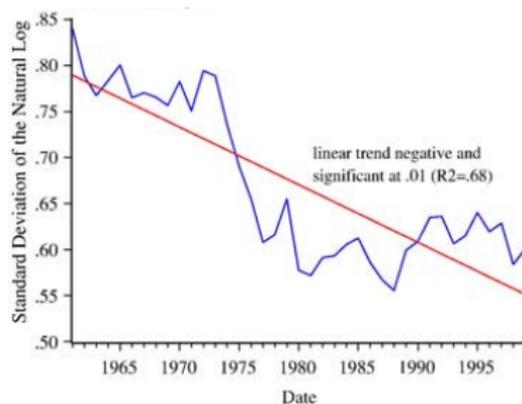
Traditional Views on Economic Development

- 1 **Short-run factors like: capital, health, education, and policies.**
- 2 More fundamental slow-moving factors like: domestic institutions, social norms, or cultural traits.
- 3 Geography.
- 4 Policies, foreign aid, and RCTs.

Dispersion of Income and Investment (Grier and Grier, 2007)

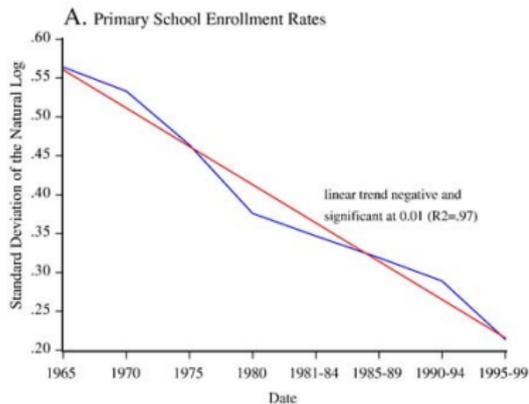


(a) Real per capita GDP

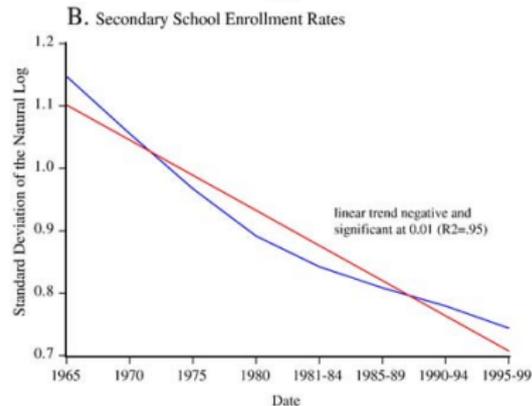


(b) Capital Investment

Dispersion of Schooling

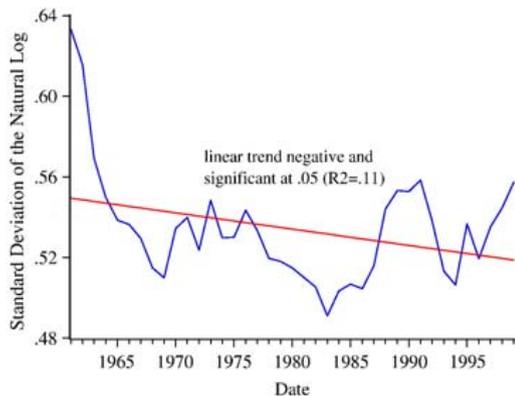


(a) Primary schooling

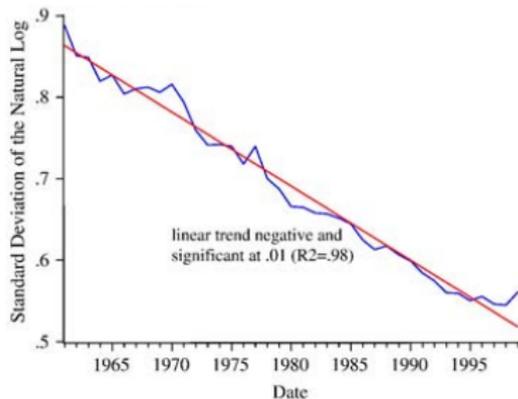


(b) Secondary schooling

Dispersion of Policies



(a) Government spending



(b) Openness to trade: $(X+M)/Y$

Traditional Views on Economic Development

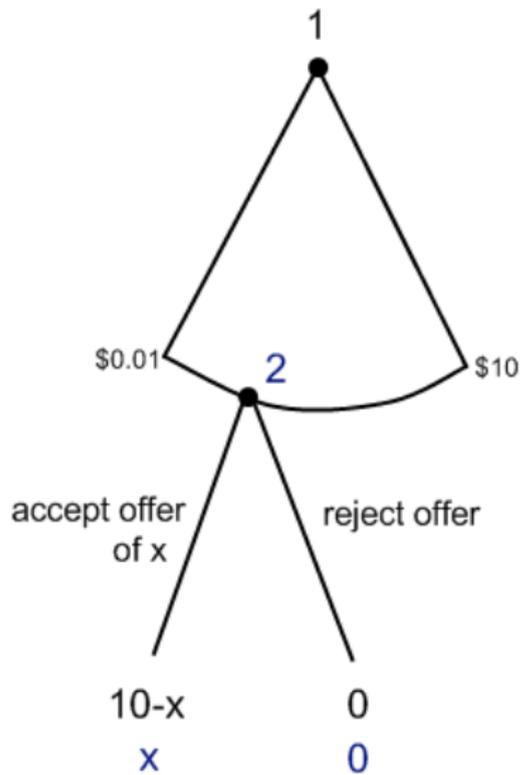
- ① Short-run factors like: capital, health, education, and policies.
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Measuring Culture (Henrich et al., 2005)

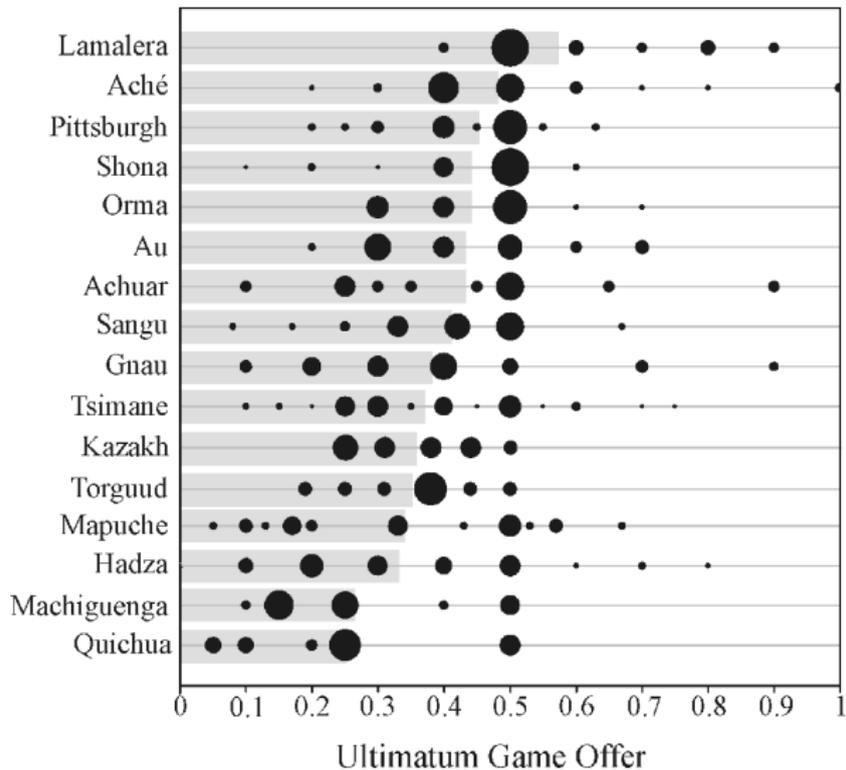


Figure 1. Locations of the 15 small-scale societies.

The Ultimatum Game



Variation in UG Offers (Henrich et al., 2005)



The Lamalera



The Lamalera

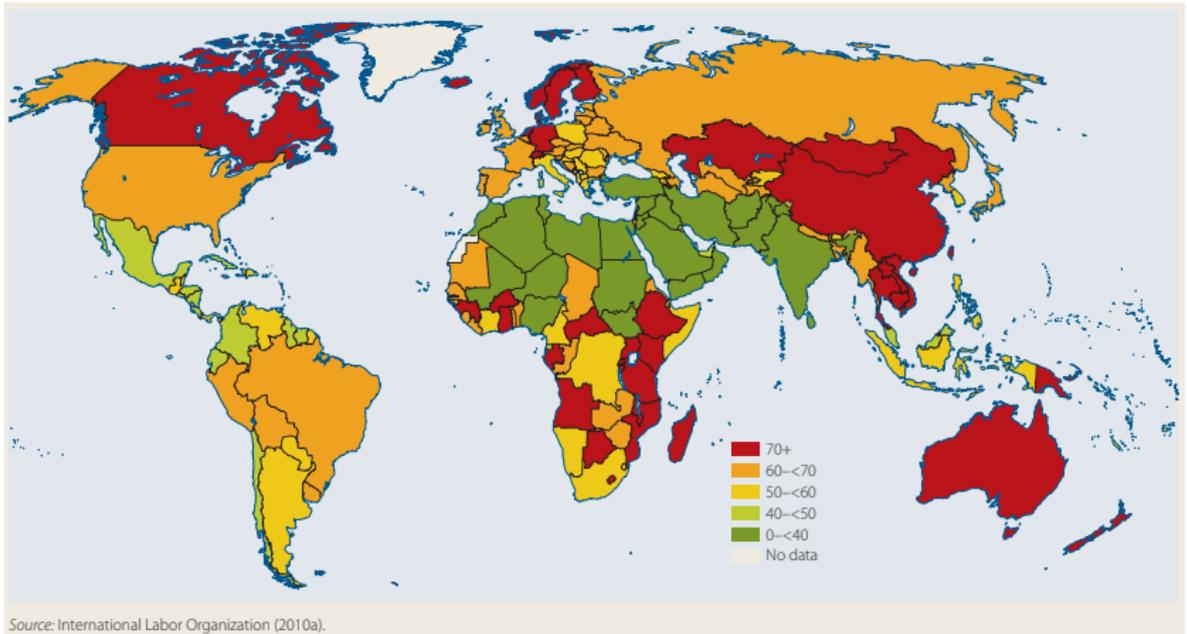


Table 1. The Method of Enslavement of Koelle's Informants

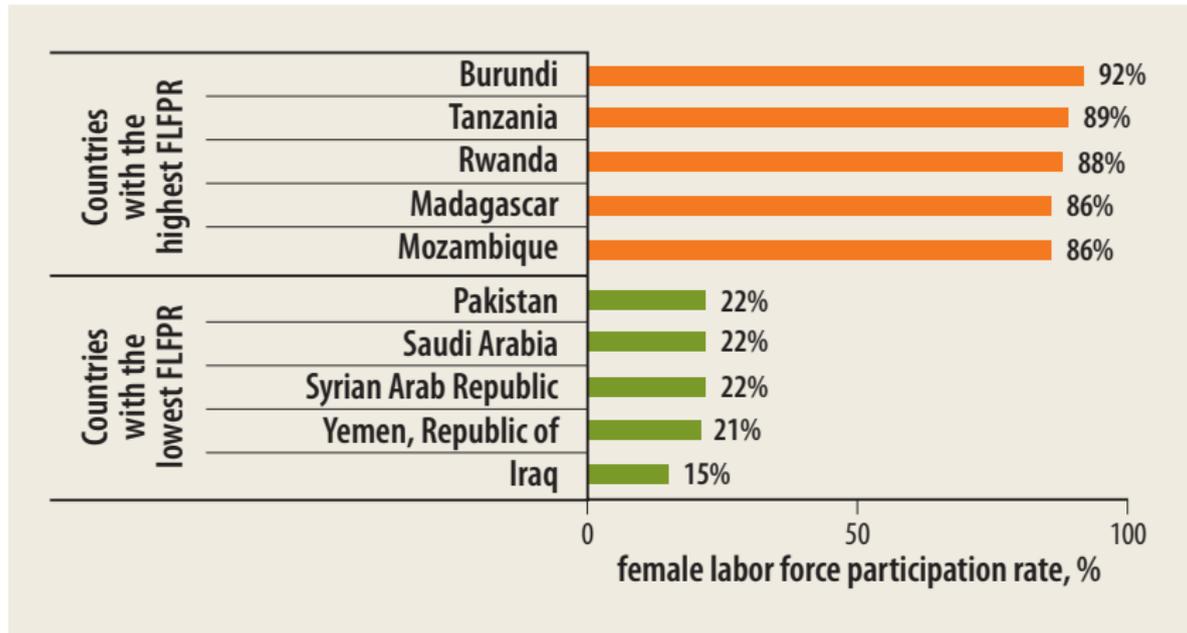
Manner of Enslavement	Percentage
Taken in a war	24.3%
Kidnapped or seized	40.3%
Sold/tricked by a relative, friend, etc.	19.4%
Through a judicial process	16.0%

Notes: The data are from Sigismund Koelle's Linguistic Inventory. The sample consists of 144 informants interviewed by Koelle for which their means of enslavement is known.

Female Labor Force Participation



Gender Norms around the World



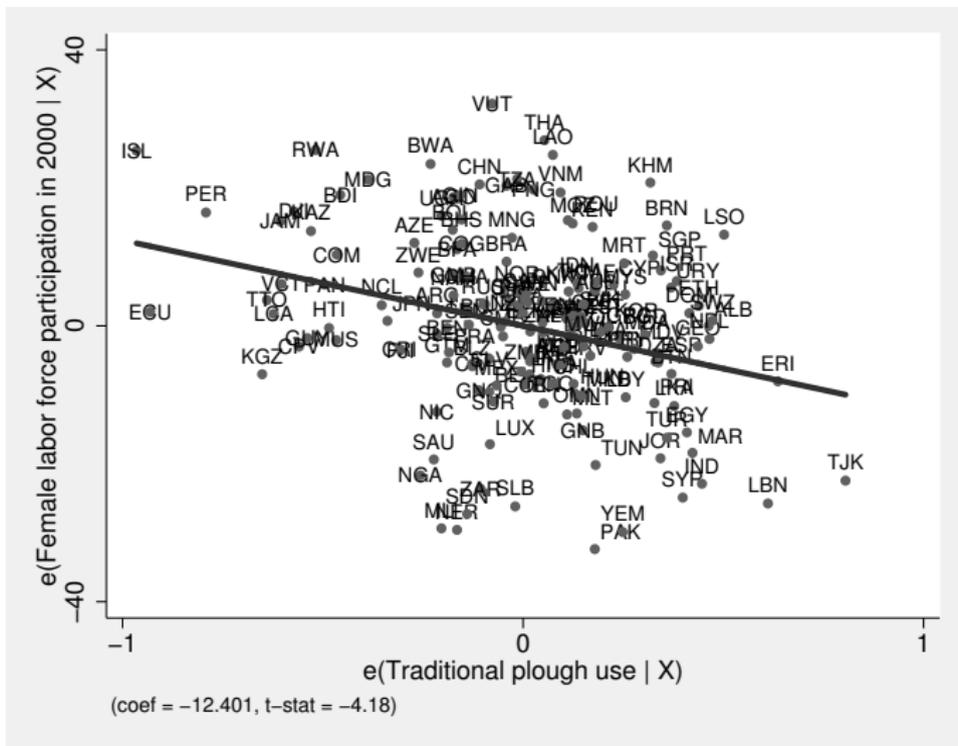
Origins of Gender Norms (Alesina, Giuliano and Nunn, 2013)



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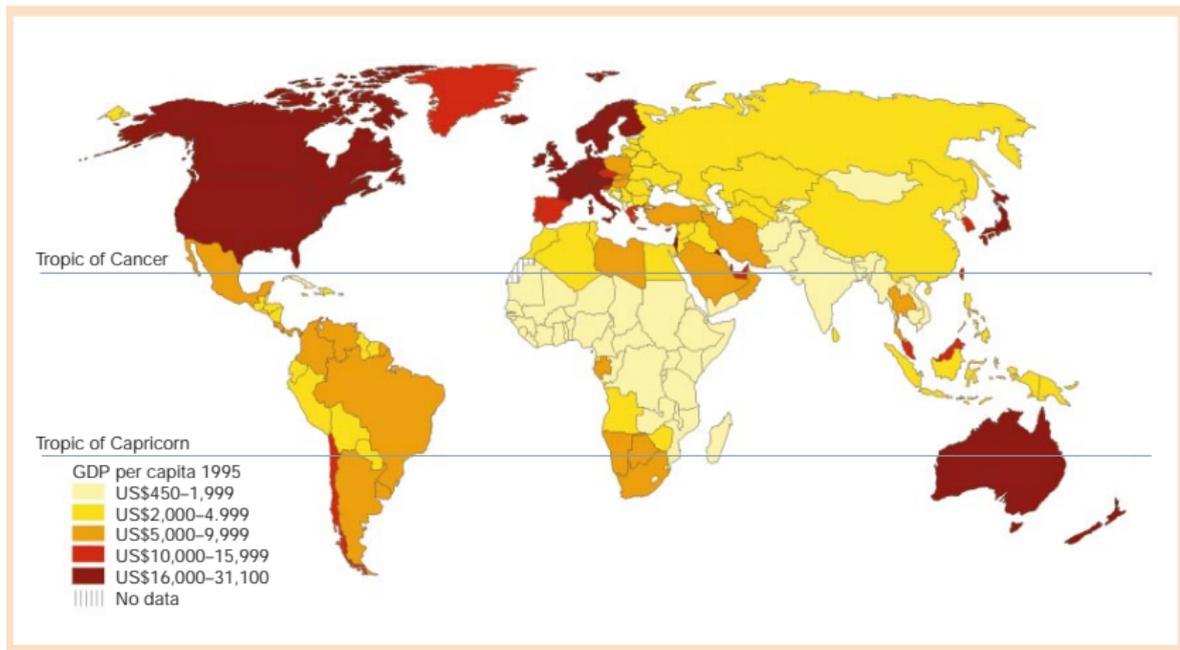
Traditional Plough Use and FLFP



Traditional Views on Economic Development

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- ③ **Geography.**
- ④ Policies, foreign aid, and RCTs.

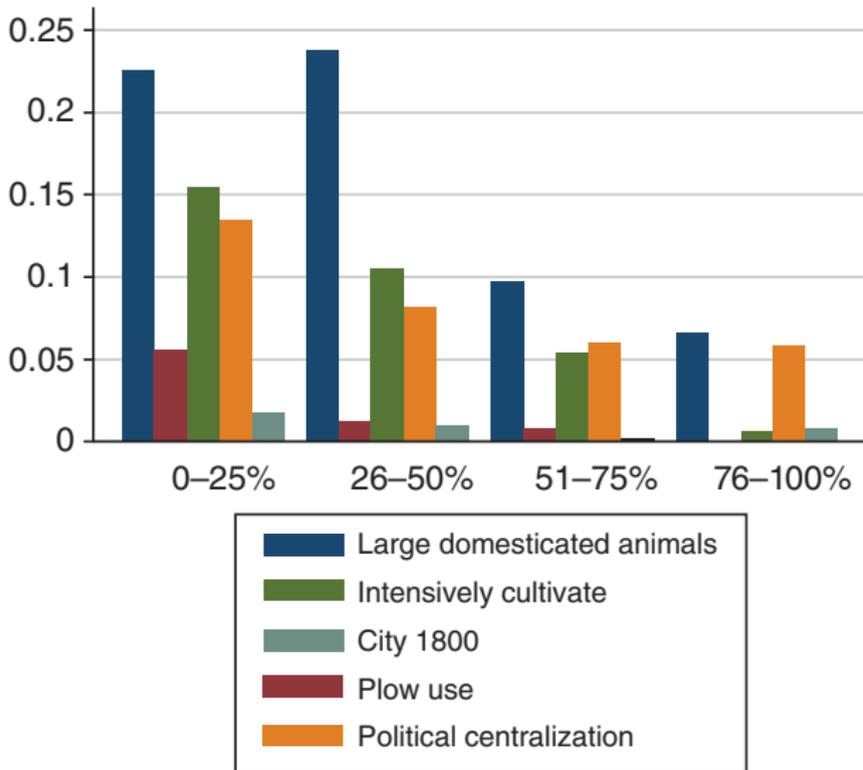
Geography and Income



Historical Impacts of the Tsetse Fly in Africa (Alsan, 2014)



Historical Impacts of the TseTse Fly in Africa



Historical Impacts of Ruggedness (Nunn and Puga, 2011)



Historical Impacts of Ruggedness



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- ③ Geography.
- ④ **Policies, foreign aid, and RCTs.**

Why History Matters for Policies: An Example



Colonial Medicine Campaigns in Cameroon

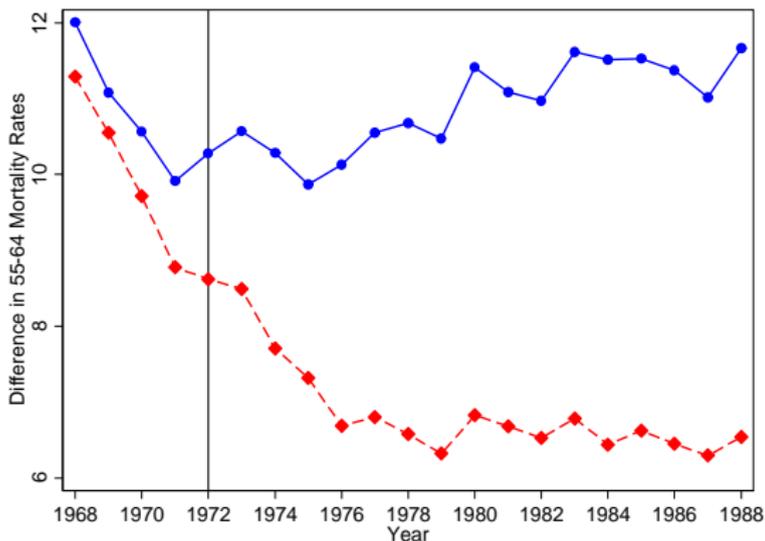


Colonial Medicine Campaigns in Cameroon



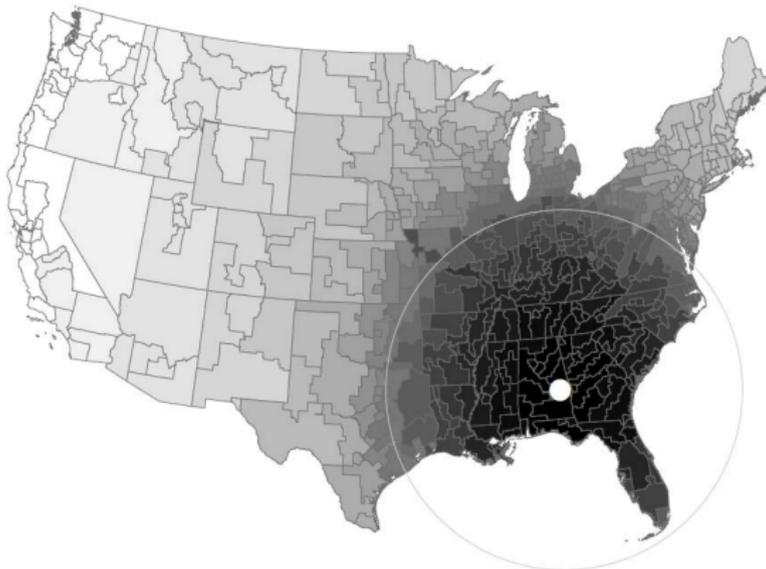
- Research in progress by PhD students **Sara Lowes** and **Eduardo Montero**.
- Colonial medical campaigns in Cameroon, primarily targeted trypanosomiasis.
- Villagers were required, often at gun point, to submit to physical exams.
- Early treatment was atoxyl (sometimes administered to everyone).
 - Caused (at least partial) blindness in 20% of those that were treated.
- More past exposure to the colonial medical campaigns (1921-1950) \Rightarrow higher refusal rates for free DHS-provided blood tests today.

Panel C. 55-64 Mortality Rate

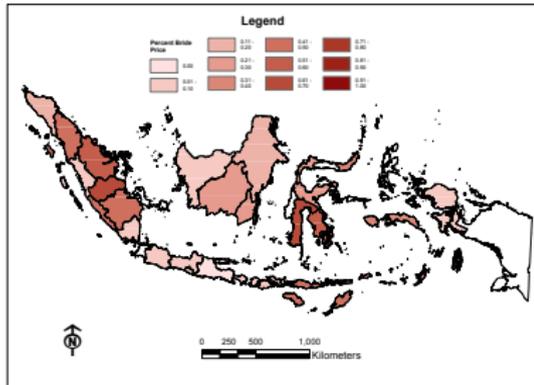


Tuskegee: Alsan and Wanamaker (2016)

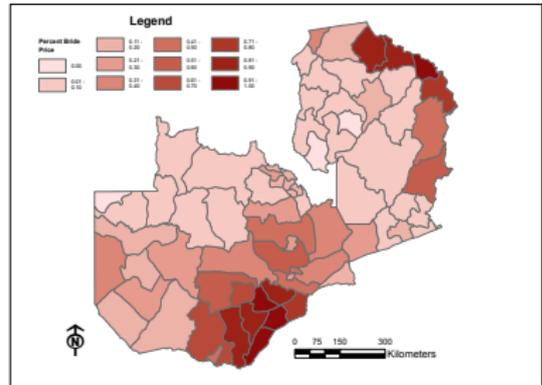
Panel A: Distance to Tuskegee



A Final Example: Marriage Customs and Education Policies (Ashraf, Bau, Nunn, and Voena, 2016)



(a) Bride price in Indonesia



(b) Bride price in Zambia

- While it is true that history useful for economic development,
- I would argue that history is necessary for a complete understanding of economic development.