

Abstracts and Profiles of authors

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Alessandro Nuvolari, Michelangelo Vasta

The geography of innovation in Italy, 1861-1913: evidence from patent data

Abstract: In this paper we provide a systematic appraisal of the spatial patterns of inventive activity in Italy in the period 1861-1913 using patent data. First, we introduce a characterization of the spatial distribution of patents and of its evolution over time. Second, we assess the connection between different forms of human capital and patent intensity. We establish a robust correlation between secondary technical education and science and engineering university studies and “high quality” patent activity. Third, we study the connection between patents and industrialization. Our study warrants two main conclusions. First, inventive activities were an important element of the industrialization process, even in a late-comer country such as Italy. Second, Northern provinces were characterized by more effective innovation systems. This factor contributes to explain the growing economic divide between the North and the South of the country during the Liberal age.

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Baomin Dong, Yibei Guo (Henan University)

The impact of the first sino-Japanese war indemnity: transfer problem reexamined

Abstract: The first Sino-Japanese war that took place in 1894-1895 was concluded with Japan's victory and the Treaty of Shimonoseki which in effect requires China to pay a war indemnity of 230 million taels of K.P. silver; cede Taiwan to Japan in perpetuity and full sovereignty; open treaty ports for Japanese export and investment, etc. The amount of indemnity was about a quarter of Japan's GDP at the time, or 1/10 of China's. The conventional wisdom believes that the war indemnity payments had profound impacts on both the donor and recipient, even for the growth trajectories a century later. Using a small open economy full DSGE model, this paper investigates the impacts of the war indemnity on China's economy for 1895-1900, particularly issues related to the “transfer problem”. Both our theoretical model and calibration predicts an improvement of the terms of trade which fits the Chinese history.

Keywords: The Sino-Japanese War; Indemnity; Transfer Problem

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Danli Wang (SUIBE)

Ultimogeniture to primogeniture: women's fertility or virginity

Abstract: This paper seeks to provide an improved understanding of inheritance systems. Employing a cross-sectional dataset of 62 minorities located in 114 different counties, we find that the inheritance system is determined by women's virginity. Minorities with higher premarital sexual freedom are associated with a preference for ultimogeniture, and minorities valuing women's virginity prefer primogeniture. Furthermore, the empirical evidences also show that high premarital sexual freedom are associated with high fertility. Whether to choose premarital sexual freedom or women's virginity is determined by regional agricultural productivity.

Key Words: Ultimogeniture; Primogeniture; Premarital sexual freedom; Women's fertility and virginity

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Fabio Braggion, Alberto Manconi, Haikun Zhu

**Credit rationing and social stability:
evidence from 1930s China**

Abstract: Can credit affect social stability? To answer this question, we turn to a natural experiment from 1930s China, where credit contracted as a consequence of the 1933 U.S. Silver Purchase program. Building on extensive archival information, we assemble a novel, hand-collected data set of loan contracts to individual firms as well as labor unrest episodes. We show that the Silver Purchase shock results in a severe credit contraction, and that firms borrowing from banks with a larger exposure to the shock experience increased labor unrest intensity. These findings support Milton Friedman's (1992) conjecture that the U.S. Silver Purchase program exacerbated social tensions in 1930s China, and contribute to our understanding of the (unintended) social consequences of credit provision.

Keywords: Silver Purchase program, bank liquidity, social unrest

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Jea Hwan Hong, Duol Kim

**Fruits of liberation:
land redistribution and agricultural productivity in Korea, 1940-1960**

Abstract: Korean was agricultural society during the colonial period. Sharecropping was the dominant form of production in this period, and it was criticized as the major source of poverty. Since Korea was liberated in 1945, land redistribution proceeded in various ways. Using prefecture level data, we estimated the impact of land ownership in this period. Our estimation shows that land reform improved agricultural productivity by 25% between 1940 to 1960. This implies that more than 10% of total GDP growth from 1953 to 1960 originated from pure redistribution of lands.

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Lingwei Wu (HKUST)

**The economic motives of foot-binding:
evidence from republican government archives in the 1930s**

As a painful practice in ancient China, foot-binding was targeted on girls by tightening their feet in their early ages towards certain standard (e.g. 3-inches). This paper investigates the economic motives of foot-binding among rural Han Chinese women, with both provincial and county-level evidence from Republican government archives in the 1930s. Specifically, I argue that women's labor productivity in agricultural production serves as opportunity cost of foot-binding, and women's comparative advantage in cultivating rice compared with wheat could explain the regional variation of foot-binding intensity. My major finding is that higher rice suitability predicts less foot-binding (e.g. the Pearl River Basin), while higher wheat suitability is associated with more intensive foot-binding (e.g. the Yellow River Basin). Robustness checks are also conducted towards omitted variable bias and alternative explanations.

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**A review of wage inequality and skill premium of urban China in a historical
Background—a case study of imperial China from the year 1860 to 1910**

Abstract: This paper investigates the wages of workers with different skill in urban China from the 1860s to the 1910s. Using data from China Maritime Customs and the China urban labour wage index, I constructed the real skill premium for labours and find that the real wage gap between unskilled and skilled labours declined from 1860 to 1900. With a basic theoretical model based on skill-biased-technological-change, which is considered as the leading explanation for the growth in wage inequality, I conclude that the first four decades after industrialization in China (1860-1900) must have been characterized by skill-replacing/unskilled-biased technical change (UBTC). Further, I extended the baseline model by introducing the technological progress as an endogenous variable in order, to capture both the skill premium rise from 1860 to 1875 and the long-term downward trend after that.

Keywords: wage inequality, China, technological change, skill return

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Rufei Guo, Travis Ng, Kwong-Yu Wong

**Sworn spinsters:
an economic analysis of celibacy**

Abstract: Why some people swear to never get married? Many have taken a vow of celibacy beyond apparent religious concerns. To address this question, we study a group of women called Sworn Spinsters (Zishun ü) in Southern China. They emerged around the end of the 19th century and almost all of them worked in silk reeling factories. With the fall of China's silk industry and the outbreak of wars around the beginning of 1930s, most migrated to Hong Kong and Singapore to work as domestic servants. We present data showing that their openly taking a vow of celibacy made their employers pay more to them relative to their counterparts

who did not take a vow. We use a model to explain how the vow increases their value when they work as silk factory workers and domestic servants: openly taking a vow of celibacy heavily taxes a girl's marriage opportunity, making her much less likely to quit her job for marriage. The vow is thus the girl's credible commitment device of high-intensity labor supply, inducing her employer to invest more human capital on her, or matching her to more important working positions. We present historical details to argue why collectively taking an open vow was likely to be the least costly commitment device, relative to a bilateral labor contract between a girl and her employer. Various bizarre local phenomena, such as nominal marriage, strong sisterhood, twisted customs, extreme religions, and widespread homosexuality can be understood as enforcement mechanisms of the celibacy vow. We also shed light on why for girls taking a vow of celibacy for their careers in modern days would unlikely be the least costly commitment device relative to other types of contracting.

Key words: Celibacy, Female Labor Supply, Contract Enforcement

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There will be killing: collectivization and death of draft Animals

Abstract: The deprivation of private property rights can wreak havoc on productive assets, as the owners can destroy them in order to keep some residual value. In China's collectivization movement from 1955 to 1957, peasants slaughtered their draft animals instead of passing them to the collectives. By comparing 1,600 counties throughout China that launched the movement in different years, the difference-in-differences estimates suggest that the accumulative animal loss during the movement was 12 to 15 percent. Grain output dropped because of lower animal inputs and lower productivity.

Keywords: property rights, collective, agriculture, China, draft animals

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Stages of diversification: France, 1836-1938

Abstract: We study economic performance in France 1836-1938 through the prism of international trade. Using a new database of dis-aggregated exports, we document that French comparative advantage moved from traditional to new manufactures and some non-manufactured goods. A strong diversification of exports begins in 1860 which decelerates from 1880. GDP per capita is a stronger determinant of diversification than integration, but both play a role. Both facts are consistent with recent studies in the same vein. France followed a very common trajectory supporting the view that French economic performance was not as abnormal as the early literature maintained.

Keywords: specialization, comparative advantage, exports concentration, first globalization.

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Xiaoting Mai, Chenggang Xu (The University of Hong Kong)

**Land rights and the limits on government:
cross-country historical evidence**

Abstract: We collect the first systematic dataset coding historical land rights for 26 countries from the year 1500 to 1850. Focusing on six aspects within the bundle of rights, our land rights measures capture the security of private land ownership in numeric form. This allows us to see clearly the long-term evolution of land rights and compare them across a wide range of countries. Noting the important role of landed property in elites' accumulating and exercising power, we then investigate empirically the implication of land rights for the development of institutions constraining the abuse of power by the government. The results suggest there is a significantly positive correlation between such constraints and the security of land rights in the past period. It is more likely that secure land rights precede the emergence of limits on government power than the other way round. However, such positive relationship is much weaker when the sample is restricted to central and southern Europe, the Balkans or the former Holy Roman Empire countries.

Keywords: Property Rights, Land Rights, Limited Government, Economic Development, Political Development, Economic History

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Yiming Cao, Shuo Chen (Yiming Cao Shuo Chen, Fudan University)

**Robin hood on the grand canal:
economic shock and rebellions in Qing China,1650-1911**

Abstract: Social scientists have long pondered the effects of economic shocks on social conflicts. Despite the recent literature that has employed exogenous variation in climate changes or global prices to identify the causality, the findings are still inconclusive. This paper uses the abandonment of China's Grand Canal—perhaps the largest infrastructure project in the pre-modern world – in 1826 as a natural experiment to study the link between economic shocks and social conflicts. Using a dataset covering 575 counties from 1650 to 1911, we have found that negative economic shocks significantly generated social instability: in the period of post-abandonment, the annual incidence of rebellions was 0.009 higher in counties bordering the canal than those that are not. The magnitude of the effect accounted for about 122% of the sample mean and was robust across various specifications. We then compare the relative explanatory power of alternative explanations, and conclude that the reform was most likely to arouse rebellions by terminating the canal's role in facilitating trade.

Keywords:Economic Shocks; Conflict; Rebellions; the Grand Canal

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