

Workshop on the “Origins and Consequences of Group Identities”

List of papers presented.

Folklore

Stelios Michalopoulos (Brown) and Melanie Meng Xue (Northwestern)

Folklore is the collection of traditional beliefs, customs, and stories of a community, passed through the generations by word of mouth. This vast expressive body, studied by the corresponding discipline of folklore, has evaded the attention of economists. In this study, we do four things that reveal the tremendous potential of this corpus for understanding comparative development, culture, and its transmission. First, we introduce a unique dataset of folklore that codes the presence of thousands of motifs for roughly 1000 pre-industrial societies. Second, we use a dictionary-based approach to elicit the group-specific intensity of various traits related to its natural environment, institutional framework, and mode of subsistence. We establish that such measures are in accordance with the ethnographic record, suggesting the usefulness of folklore in quantifying currently nonextant characteristics of preindustrial societies including the role of trade. Third, we use oral traditions to shed light on the historical cultural values of these ethnographic societies. Doing so allows us to test various influential hypotheses among anthropologists including the original affluent society, the culture of honor among pastoralists, the role of women in plough-using groups, and the intensity of rule-following norms in centralized societies. Finally, we explore how cultural norms inferred via text analysis of oral traditions predict contemporary attitudes and beliefs.

Persistence and the Activation of Right-Wing Political Ideology

Davide Cantoni (LMU), Felix Hagemeister (LMU) and Mark Wescott (LMU)

We investigate the persistence of right-wing ideology in Germany. The “Alternative for Germany” (AfD), founded as a party espousing fiscal conservatism, has turned to an openly nationalist and anti-immigrant platform since 2015. We document this rhetorical change with quantitative text analysis. We further show that municipalities that voted more for the AfD after 2015 also exhibited higher support for the Nazi party in the 1920s and 30s. The historical correlation we observe is positive, significant, and large. In our preferred specification, a one standard deviation increase in historical support for the Nazi party is associated with a 0.15 standard deviations larger change in votes towards the AfD. Our results are robust to controlling for a large set of historical and contemporary covariates, especially relating to unemployment and the recent inflow of refugees from the Middle East.

Social ties, group identity and the delivery of public services.

Oriana Bandiera (LSE), Robin Burgess (LSE), Erika Deserrano (Kellogg), Ricardo Morel (BRAC), Imran Rasul (LSE), Munshi Sulaiman (BRAC)

We study how social ties affect public service delivery and the nature of the social preferences that underpin the effect. We collaborate with the NGO BRAC to randomize the selection of the agent who delivers an agricultural extension program. The design creates exogenous variation in social ties to the delivery agent among groups of ex-ante identical farmers. We use this in combination with differences in-group identity, as well as the intensity of competition between the two groups to test whether preferences for the in-group and the out-group are correlated. We find evidence of parochial altruism, that is the delivery agents exert more effort to help their ties in villages where the two groups have different political identity and competition between the political parties is strong. The findings imply that social preferences towards different groups are not separable and that an increase in coverage is accompanied by an increase in bias.

From Immigrants to Americans: Race, Status and Assimilation during the Great Migration

Vicky Fouka (Stanford), Shom Mazumder (Harvard) and Marco Tabellini (MIT)

We study how the inflow of millions of African Americans to the US North between 1915 and 1940 – a historical episode termed the first Great Migration – affected the assimilation of previously arrived European immigrants. We construct a shift-share instrument by interacting 1900 settlements of southern born blacks living in northern cities with outmigration from each southern state after 1910. Measuring cultural assimilation in several ways, including naturalization rates, naming decisions, intermarriage trends and ethnic segregation patterns, we provide evidence that the arrival of African Americans favored the Americanization of European immigrants. We explore several mechanisms through which the rising numbers of an out-group might have favored the economic and cultural integration of previous outsiders, including competition between minorities, the effect of racial threat on barriers to immigrant assimilation, and political economy channels.

Nation-Building, Nationalism, and Wars

Alberto Alesina (Harvard), Byrony Reich (Northwestern) and **Alessandro Riboni** (École Polytechnique)

This paper explores how the increase in army size observed in early modern times changed the way states conducted wars. Starting in the late 18th century, states switched from mercenaries to a mass army by conscription. We model the incentives of soldiers to exert effort in war and show that as army size increases paying mercenaries is no longer optimal. In order for the population to accept fighting in and enduring war, government elites began to provide public goods, reduced rent extraction, and adopted policies to homogenize the population. We also explore the variety of ways in which homogenization can be implemented, and study its effects as a function of technological innovation in warfare.

Inequality and Intergenerational Mobility in Africa

Alberto Alesina (Harvard), **Sebastian Hohmann** (LBS), Stelios Michalopoulos (Brown) and Elias Papaioannou (LBS)

We investigate the evolution of inequality and intergenerational mobility in education in Africa. Using census data covering more than 50 million people in 23 countries from independence until today, we document the following regularities. First, over the last 60 years, inequality has fallen across countries and intergenerational mobility has risen, especially since the mid-late 1980s. Second, while the overall drop in African inequality can be attributed mostly to declines in within-region and within-ethnicity inequality, initially moderate regional and ethnic differences in education have persisted. Third, the analysis uncovers "poverty trap" dynamics that have a stark region and ethnic-specific component. Fourth, we find that while geographic, precolonial ethnic, and colonial features correlate with initial conditions, only colonial infrastructure and human capital investments by missionaries strongly correlate with higher intergenerational mobility, over and above their relationship with initial conditions.

Party bans: deterrence or backlash? Evidence from the Basque Country

Andreu Arenas (U Catholique de Louvain - CORE)

This paper examines how counter-terrorist political repression influences the political preferences of the aggrieved constituency. Exploiting the finite and heterogeneous length of the ban of Batasuna -the political wing of ETA- across municipalities, find a negative effect of a longer ban on support for Batasuna in local elections, with spillovers on Basque regional elections. These effects are explained by the extent of the immediate loss in support after the ban is extended in treated municipalities –that is observable because Batasuna called for a null vote-, suggesting voting habits as the main channel. Extending the ban triggers a short-run spike in street violence that quickly vanishes.

The origins of common identity: Division, homogenization policies and identity formation in Alsace-Lorraine

Sirus Dehdariy (IIES, Stockholm University) and **Kai Gehring** (UZH)

We exploit the fact that disagreements in the German leadership after the Franco-Prussian War in 1870 led to a quasi-exogenous division of Alsace and Lorraine to provide rare evidence of group identity formation within historically homogeneous regions. People in the treated area which experienced a change in nation-status and were exposed to repressive homogenization policies express a stronger regional identity and support more regional autonomy today. On average, subjects with a stronger regional also express a stronger European identity, which we exploit in a regression discontinuity design at the municipal level to reveal whether these identity differences are causal. We find that support for the European Union is significantly stronger in two crucial referenda, a result that is robust across different specifications and bandwidths, and not driven by language differences, large agglomerations or distance to foreign countries. Results using subscription rates to a regional newspaper support the interpretation of our results as differences in regional identity and suggest one possible channel of persistence. The differences in regional and European identity are strongest for the first two age cohorts after World War II and diminishes for later generations.

The Roots of Patriotism: Emergency Relief and Volunteering in the United States during WW2

Bruno Caprettini (UZH), **Fabio Schmidt-Fischbach** (Oxford) and Joachim Voth (UZH)

Killer Incentives: Status Competition and Pilot Performance during World War II

Philipp Ager (U Southern Denmark), Leonardo Bursztyn (U Chicago), Lukas Leucht (Haas-Berkeley) and **Joachim Voth** (UZH)

How far are people willing to go to improve their relative position –their status? And what determines the reference groups that they care about? In this paper, we focus on the effects of rank and public recognition on the risk taking and performance of pilots. Using newly collected data on monthly death rates and victory claims of more than 5,000 German pilots during World War II, we find that concerns about relative position can have important effects: After the German armed forces bulletin mentioned the accomplishments of a particular fighter pilot, his peers performed better, but died at much greater rates. This is true of both current and former peers, i.e. pilots serving concurrently in the same unit as well as those serving in different units and at different fronts. The strength of this spillover, in turn, depends on the intensity of prior interactions and social distance: Pilots from the same squadron show much larger effects than pilots who merely flew from the same airfield, and pilots born in the same region as a mentioned pilot react more to public recognition.

Information Dividend of Democracy: Impact on Political Stability and Redistribution

Jérémy Laurent-Lucchetti (U Geneve) **Dominic Rohner** (U Lausanne) and Mathias Thoenig (U Lausanne)

Ethnic geography: measurement and evidence

Roland Hodler (U St Gallen), Michele Valsecchi (New Economic School) and Alberto Vesperoni (U Klagenfurt)

The effects of ethnic geography, i.e., the distribution of ethnic groups across space, on economic, political and social outcomes are not well understood. We develop a novel index of ethnic segregation that takes both ethnic and spatial distances between individuals into account. Importantly, we can decompose this index into indices of spatial dispersion, generalized ethnic fractionalization, and the alignment of spatial and ethnic distances. We use maps of traditional ethnic homelands, historical population density data, and language trees to compute these four indices for more than 150 countries. We apply these indices to study the relation between historical ethnic geography and current economic, political and social outcomes. Among other things, we document that countries with higher historical alignment, i.e., countries where ethnically diverse individuals lived far apart, have higher-quality government, higher incomes and higher levels of trust.

Social Structure and Conflict: Evidence from Sub-Saharan Africa

Jacob Moscona (MIT), **Nathan Nunn** (Harvard) and James A. Robinson (U Chicago)

We test the long-standing hypothesis that ethnic groups that are organized around ‘segmentary lineages’ are more prone to conflict and civil war. Ethnographic accounts suggest that in segmentary lineage societies, which are characterized by strong allegiances to distant relatives, individuals are obligated to come to the defense of fellow lineage members when they become involved in conflicts. As a consequence, small disagreements often escalate to larger-scale conflicts involving many individuals. We test for a relationship between segmentary lineage organization and conflict today across 145 African ethnic groups for which data are available. Using a number of estimation strategies, including an RD design at ethnic boundaries, we find that segmentary lineage societies experience significantly more conflict today. In addition, we also find that the previously documented relationship between adverse rainfall shocks and conflict within Africa is only found within segmentary lineage societies.