

Abstracts of Posters Presented at the Annual Meeting

Risk Sharing, Adverse Selection, and Institutional Change: The Case of the Israeli Kibbutz

The Israeli Kibbutz, a voluntary egalitarian commune, presents a puzzle for economic theory as moral hazard and adverse selection might take place. Yet, the Kibbutz has existed for almost a century, implying that these problems were mitigated. I delve into the factors at the center of the Kibbutz long success and recent change by providing a theoretical framework and by assembling and analyzing large micro-level data sets, both at the individual level and the Kibbutz level. The analysis suggests that although productive members are the first to leave, the Kibbutz is a self-enforcing institution providing valuable risk sharing and public goods.

RAN ABRAMITZKY, *Northwestern University*

The Impact of Subsidized Family Planning on the Fertility of African-American Women, 1960–1990

Demographic surveys in the 1960s revealed far higher rates of “unplanned” births among African-American women than white women. Following the enactment of Title X of the Public Health Service Act in 1970, the first comprehensive federal initiative to subsidize family planning, fertility rates among black women fell rapidly. Using archival and published data, this poster analyzes the impact of subsidized family planning services on racial differences in fertility. It is demonstrated that within states and cohorts declines in births among African-American women relative to white women from 1970 to 1990 are strongly related to higher levels of service in 1970. Future work will examine the effects of family planning using richer county-level data.

MARTHA BAILEY, *Vanderbilt University*

White Flight, or the Rush to the Suburbs? Disentangling the Relationship Between Black In-Migration and White Suburbanization

American cities underwent a rapid and racially distinctive process of suburbanization following World War II. However, this enduring pattern of “chocolate cities and vanilla suburbs” need not imply the existence of a direct racial dynamic in residential decision (“white flight”). Variation in racial composition across cities is largely the byproduct of a series of location choices made by rural black migrants. Migrants may have been attracted by exactly those aspects of a city that underlie the demand for suburban living (e.g., wage growth, industrial mix), or by falling demand, and thus lower prices, for central city housing accompanying the “rush to the suburbs.” This paper will re-examine the relationship between race and suburbanization with an original instrument for black migrant flows into northern and western cities. The instrument predicts in-migration to a particular northern city based on southern push factors, weighted by the state-of-birth profile of the city’s existing black migrant stock.

LEAH PLATT BOUSTAN, *Harvard University*

Industry and Ingenuity in Dixie: Factors Affecting the Postbellum Southern Economy?

Persistent widespread poverty in the postbellum South remains a mystery. Scholars have offered a variety of hypotheses to explain this phenomenon: emancipation, the legacy of slavery, institutions and land tenure, labor market integration or lack thereof, racism, insufficient spending on education, capital market imperfections, cultural institutions, the impact of the War Between the States, Reconstruction, cotton overproduction, agrarian mentalities, and a lack of “inventive” activity. This poster will present results of preliminary investigation in which I evaluate these hypotheses and ascertain the contribution each factor made to poor southern economic performance. In addition, I explicitly test the hypothesis that southerners had “backward, anti-capitalist” mentalities using stochastic frontier techniques summarized in Coelli, Rao, and Battese (1998, *An Introduction to Efficiency and Productivity Analysis*), the theoretical framework discussed in Mokyr (1990, *The Level of Riches*), and the data set summarized in Atack and Bateman (1999, *Historical Methods*). Preliminary results indicate that southern firms were as efficient as their northern counterparts recorded in the 1880 Census of Manufactures.

ART CARDEN, *Washington University in Saint Louis*

History of China's Overseas Investments: Emphasis on the Opportunities Provided by its Entry to the WTO

China's accession to the WTO marks its entry to the world. This has definitely boosted its economic growth. It has even led to more contact between China and WTO members and other countries. It was the new economic situation that actuated China overseas capital expanded from trade, shipping, and the restaurant business to manufacturing and processing, resource exploitation, project contracting, agricultural cooperation, and research and development. China is in transition from lower-level (mainly international) trade toward higher-level (direct investment in production and production requisites) trade. It practices the strategy of “foreign capital inflow” and “domestic capital outflow” through developing foreign trade and attracting foreign capital and operating external direct investments and having active involvement in the global economy. It is now working hard to steady its economic growth and improve its industry structure to merge into the global economic course. Related to this strategic development, a history of China's overseas investments is discussed.

PEILIN DENG, *Southwest Jiao Tong University*

A Co-evolutionary Approach to Institutional and Technological Change in Industrial Regimes: Labor and Management in the United States and Germany, 1900–1933

A growing literature stresses the divergences between national “Varieties of Capitalism.” This poster argues that these developed because technologies, organizational arrangements, institutions, and routines of behavior in an industry or region co-evolve with each other. New technologies or routines may act as factors changing the conditions for the replications of others. Well adjusted systems—“regimes”—emerge, as firms choose those routines and technologies that work best in their given environment. Regimes may exist concurrently and compete. Over time the most effective become prevalent in an industry or region and ultimately shape social ideologies and institutions on a national scale.

Simon HELLMICH, *Universitat Bielefeld*

The Unexpected Transformation of Women's Higher Education, 1965 to 1980

The dissertation aims to explain the rapid and unexpected narrowing of the gender gap in higher education that took place between 1965 and 1980. It offers an explanation, based on a theory of social change developed by Timor Kuran, of why we might expect to see sudden shifts in women's economic roles rather than gradual adaptation to economic changes. Social norms, it is argued, played a key role in shaping women's choices regarding education and work. The dissertation also investigates empirically the labor market consequences of changes in women's higher education.

STACEY JONES, *Stanford University*

Analyzing Variations in Total Factor Productivity by Means of Cointegration Analysis

The aim of this paper is to analyze the determinants for variations in total factor productivity (TFP) in three different types of industries: labor-intensive, capital-intensive, and knowledge-intensive industries in Sweden from 1950–1994. Testing eight different hypotheses by means of the cointegrated VAR model is used to carry this out. Each hypothesis reflects a certain growth process with mechanisms violating perfect competition and/or constant returns to scale under which TFP is computed. The results point out that 86 to 90 percent of TFP variations can be explained by such growth processes, moreover the determinants for TFP differ between industries with different methods of production: e.g., learning-by-doing and negative sector shocks are the most important determinants for TFP variations in labor-intensive industry, whereas in capital-intensive industry TFP is determined by economies and diseconomies of scale. In knowledge-intensive sectors complementarity between subjective knowledge and capital and reversed complementarities due to path dependency greatly affect variations in TFP.

CAMILLA JOSEPHSON, *Lund University*

Measurement and Analysis of Product Diversification

Technology sets the boundary of what to produce and how to produce for firms. It determines firms' flexibility to adjust themselves over time. Unlike how to produce (production process with many inputs and adjustment margins, such as labor, capital, material, and capacity), what to produce (product) has never been studied as one of the adjustment margins. The annual diversification index is constructed in this paper, using Census Bureau firm/plant-level data. Preliminary work shows that the diversification index 1) increased at the firm level but decreased at the plant level, 2) procyclically fluctuated, and 3) has different trends by size and industry during the last three decades in the United States.

NAMSUK KIM, *University of Maryland and the World Bank*

Strengthening Intellectual Property Rights: Experience from the 1986 Taiwanese Patent Reforms

Intellectual property rights (IPR) have recently moved to the forefront of debates over international policy. As each country establishes its own institutions of IPR, a divergence exists between net producers and net consumers in the returns to providing

strong protection. Under pressure from the developed world, many developing countries have begun to strengthen their IPR, particularly as regards to patents. These changes in policy provide us with an opportunity to learn more about the effects of intellectual property institutions in developing countries. Whether and to what extent do stronger IPR spur inventive activity in a developing country? What are the factors or characteristics of industries in which strengthening patent rights has the most favorable impact on inventive activity? Will the strengthening of IPR in developing countries induce more foreign direct investment and technology transfer from abroad? In an attempt to answer these questions, this paper uses the 1986 Taiwanese patent reforms to examine the impact of strengthening patent rights in a developing economy. The evidence on the number of patents awarded to Taiwanese inventors as well as that on R&D spending in Taiwan suggest that the reforms stimulated additional inventive activity, especially in industries where patent protection is generally regarded as an effective strategy for extracting returns and in industries that are more R&D intensive. The reforms also seemed to induce additional foreign direct investment in Taiwan. On the other hand, for industries that chiefly use other mechanisms to extract returns from their innovation, such as secrecy, the strengthening of patent rights had little effect on their inventive activity. Neither investment in R&D nor the number of patents awarded in these industries appeared to be much affected by the strengthening of patent protection.

SHIH-TSE LO, *University of California, Los Angeles*

Economic Development and Classical Music: A Case Study of Complex Technology Transfer

New musical works and styles are the outcome of deliberative research and significant experimentation and so composition is akin to “invention.” The project takes grand opera as a case study of a complex technology, embodied in composers and musicians. This informs the migration of composers, establishment of conservatories, and role of extra-market support—most effectively provided at first in princely states. The project examines the relationship between composition rates, national income and state regime, building on their neighbors in music by importing musicians, and institutional models. Contemporary composition rates imply that convergence has occurred in Europe.

SIOBHAN MCANDREW, *Nuffield College, Oxford University*

Land Re-allotments in the Russian Peasant Commune in the Late Imperial Period

This project investigates the causes and implications of communal re-allotments of plots among members of open-field communities in late Imperial European Russia. As part of a larger project on the development of Russia’s rural economy after serfdom, it utilizes descriptions of land communes from archival sources and a data set on re-allotments in Moscow province to explore the determinants of the practice and implications for agricultural productivity. The evidence suggests that external seignorial and state obligations and local economic conditions impacted the decision to re-allot plots, while demographic factors were uncorrelated with the practice. No evidence that re-allotments hampered agricultural productivity is found.

STEVEN NAFZIGER, *Yale University*

Endogenous Entry and Competition in the Retail Markets During the Early Twentieth Century

This paper examines the endogenous number of retail establishments across a wide variety of segments and markets in order to determine the nature of competition in the retail industry during the early twentieth century. The analysis uses data from the first census of Retail Distribution in a discrete dependent variable model to estimate the underlying profit function of nearly a dozen different retail segments. Special attention is given to how the spread of the automobile, changes in female labor force participation, and the geographic size of a city affected in turn the value of the services provided by retailers, equilibrium store counts, and entry thresholds. Evidence suggests variation in these factors played a significant role in the competitive structure of retail markets. In particular, more extensive automobile ownership is associated with a reduction in the value of retail services and consequently larger entry thresholds with fewer stores per capita.

TODD C. NEWMANN, *University of Arizona*

Understanding Women as Transitional Economic Agents in Early Modern Spain

Spanish women witnessed immense political, social, and economic change during the period from 1580 to 1620. The empire transitioned from the most powerful Spanish king ever, Philip II, to his less-than-impressive son, Philip III. The Spanish economy's expansion of the sixteenth century gave way to a minor crises during the first quart of the seventeenth century. All the while, the Spanish people struggled to understand and manipulate an empire in full maturity. My poster summarizes a chapter of my dissertation and evaluates the ways in which women in the central Spanish city of Valladolid experienced the ebbs and flows of the Spanish economy. Using over 200 court cases drawn from municipal, university, and appellate courts in Valladolid, I argue that women played a central role in providing an urban economy capable of weathering significant demographic changes. I show that as transitional and formative economic agents, Spanish women contributed to the efficient allocation of resources, thereby benefiting the larger imperial economy. Their contribution is rooted in Spanish law, which honors women's property rights. I suggest that women's roles as economic agents may explain the durability of the Spanish empire despite serious economic and political problems.

DAVID (JACK) NORTON, *University of Minnesota*

Slavery, Institutional Developments, and Long-Run Growth in Africa, 1400–2000

Can Africa's current state of under-development be partially attributed to the large trade in slaves that occurred during the Atlantic, Sahara, Red Sea, and Indian Ocean slave trades? Qualitative evidence from the African history literature suggests that the answer to this may be yes. This poster attempts to answer this question empirically. Using data from historical records that report slave ethnicities, an estimate of the total number of slaves taken from each country in Africa between 1400 and 1913 is constructed. An important finding is that the number of slaves exported from a country was an important determinant of economic performance in the second half of the twentieth century.

NATHAN NUNN, *University of Toronto*

Industrial Demographics and Productivity Growth in Indonesian Manufacturing, 1975–1995

Indonesian economic history suggests the existence of plant size duality in manufacturing, with few dominant large companies, and a large number of small and medium enterprises. Exploiting manufacturing plant-level panel data (1975–1995), this poster used plant heterogeneity and demography to explain slow productivity growth. It decomposes Total Factor Productivity growth in to intraplant TFP growth, market share reallocation among incumbents, and plant-turnover effect. Both market share reallocation from low to high productivity *growth* plants, and the process of entry and exit of small- and medium-scale plants offer a high and positive contribution to aggregate TFP growth. These are, however, cancelled out both by the reallocation of market shares from high to low productivity *level* plants, and incumbents' intraplant productivity losses.

VIRGINIE VIAL, *London School of Economics*

Rural-Urban Migration in the Pilsen Area During the Industrial Revolution

This poster deals with the rural-urban migration of the families during the Industrial Revolution in one of the most developed parts of the Austro-Hungarian empire—the Pilsen area. My analysis indicates that the household head's expected real rural-urban wage gap was not the main factor which led to the migration of families. Instead, the family migration decision-making process was more of a maximization of a dynastic utility function. The methodology of the control group technique is used to compare the exact structure of migrant families at the time of arrival to an urban area with the exact structure of families that stayed in the hinterlands. This, in addition to analyses of the expected rural-urban real wage gap, helps to analyze family migration motifs.

ALEXANDER KLEIN, *CERGE-EI*