

Benedic, Domine, nos et haec tua dona:*

Northern Crusades, Institutions and Early Economic Development

Research proposal summary

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Abstract

In this paper, I propose to measure the rise and decline of economic activities in a setting with varying institutional enforcement over time. Recent literature highlights the long-run interaction between the institutions, urban autonomy and early economic development in Western Europe before the industrial revolution. However, the role of institutional enforcement by the ruler/lord is neglected, or the causality between the rise and fall of institutions and early economic development is missing. The empirical setting proposed in this paper exploits the Northern Crusades between the XII and XVI centuries in the Baltic region and uses the discontinuity of town-statute institution across the border of the Teutonic Order. The Teutonic Order granted the Kulm Law to the cities in the region with the aim to attract German settlers from the Holy Roman Empire. I intend to employ monument data and zoo-archeological data as a proxy for urban development and for rural development, respectively. I aim to use the varying institutional environment and the arguably exogenous expansion of the Teutonic Order to shed new insights on early economic development and, potentially, the reversal of the Order's economic fortune in the Prussian region.

*Literally: "Bless, O Lord, us and these gifts from You". It is the beginning of a blessing before a meal

1 Research Question

Is institutional enforcement a driver for the "little divergence"? Recent literature analyzes the role of institutions in a little divergence framework (Angelucci, Meraglia, and Voigtländer, 2020; A. De Pleijt and Van Zanden, 2020)¹. In particular, Croix, Doepke, and Mokyr (2018), and Dittmar and Meisenzahl (2019),² highlight the role of guilds and town-statutes as significant institutional drivers for the early development in (Western) Europe as the onset of stable economic growth. However, the literature about guilds and town-statutes is mainly theoretical, and is missing a convincing empirical strategy that could prove the causality between institutions and economic growth. Furthermore, the lord/ruler role is considered an exogenous component compared to the main economic agents. In particular, the literature about institutions and little divergence neglect the ruler's active role in enforcing the economic cooperation among actors such as guilds member within a single town, or towns, within a geographic area.

In this paper, I propose the Northern Crusades in East Prussia as a new empirical setting to analyze the rise and fall of institutional enforcement of the town-statutes in the area. Furthermore, I combine archaeological findings and historical monuments as new measures of regional economic activity over one millennium (from the VIII-IX century to the XVIII century) to trace economic development before, during and after the rise of the northern crusades. Furthermore, the above-mentioned measures are likely to measure economic activity in both cities and rural areas. In conclusion, they will allow me to explore how the rise and decline of economic activities is driven by institutional enforcement, from its imposition to its deterioration.

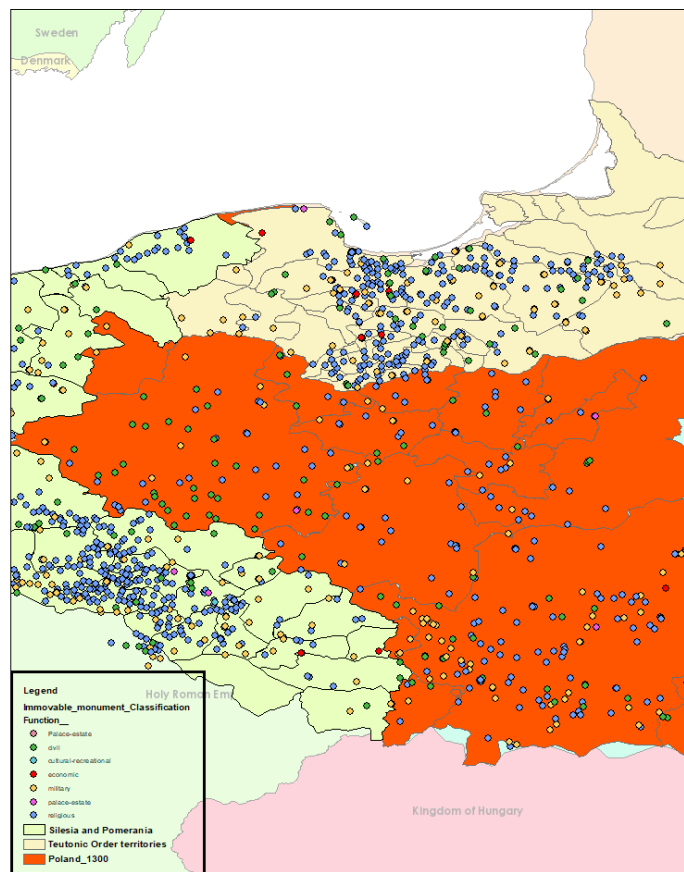
2 Proposed empirical methodology

I intend to exploit the spatial and chronological variations in the exposure to the Northern Crusades and Kulm Law in Prussia compared to the neighboring Kingdom of Poland. Consequently, I will use a dynamic difference-in-difference design to account for the institutions imposed by the Order. To prove the model identification, I will exploit the borders between the Teutonic Order and the Kingdom of Poland as a spatial discontinuity. I expect a relative increase in number of immovable building and archaeological sites (see Figure 1), and increase in animal husbandry in the Order territories, during the XIII-XIV centuries, followed by a decline afterwards, due to the institutional collapse of the Order. I will consider as possible mechanism the enforcement of the Kulm Law within the Teutonic Order territories in the main cities and in the rural towns. A further dimension to explore is how the regional economic inequalities between cities (monuments) and rural areas (zoo-data) is affected by the rise and fall of the Order. I aim to test my hypothesis against the following alternative mechanisms: the impact of the Great Plague in the XIV century; the occurrences of conflict in the area (mainly between the Order and Poland-Lithuania); and

¹Other works related to little divergence are Voigtlander and Voth (2013a), Voigtländer and Voth (2013b), A. M. De Pleijt and Van Zanden (2016), Raster (2019)

²Other works related to guilds and town-statutes are Dessì and Piccolo (2016), Dessì and Piccolo (2008), and Malinowski (2016) for the Kingdom of Poland

the role played by the Hanseatic League.



The map shows the immovable monuments in Poland built in the XIV century, collected in the National Heritage Institute database. Source: personal elaboration on the data from the National Heritage Institute

Source: "NID — Portal mapowy" (n.d.) (<https://mapy.zabytek.gov.pl/nid/>)

Figure 1: Map of historical monuments in Gdansk Area.

3 Data

To address the lack of measures about economic development before the XV century, I intend to combine two datasets, not yet employed in the economic literature: the zoo-archaeological data from Pluskowski (2012), and Makowiecki (2018); and the Historical Monuments and Archaeological sites dataset from the Polish National Heritage Board. Zoo-archaeological, and historical-monuments data should be proxies for rural development and urban development, respectively. Furthermore, these two sources will allow me to assess the regional economic inequality across time as they are spatially diffused.

To conclude, with these measures, I aim to trace regional economic development for one millennium, describing the onset of the little divergence, and the stagnation in the early modern times.

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