

Essays on Culture, Institutions, and Economic Development

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ACADEMIC THESIS

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Abstracts

The Origins of Cultural Divergence: Evidence from Vietnam

Cultural norms diverge substantially across societies, often within the same country. We propose and investigate a *self-domestication/selective migration hypothesis*, proposing that cultural differences along the individualism-collectivism dimension are driven by the out-migration of individualistic people from collectivist core regions of states to peripheral frontier areas, and that such patterns of historical migration are reflected even in the current distribution of cultural norms. Gaining independence in 939 after about a thousand years of Chinese colonization, historical Vietnam emerged in the region that is now north Vietnam with a collectivist social organization. From the 11th to the 18th centuries, historical Vietnam gradually expanded its territory southward to the Mekong River Delta through various waves of conquest and migration. Using a household survey and a lab-in-the-field experiment, we demonstrate that areas annexed earlier to historical Vietnam are currently more prone to collectivist norms, and that these cultural norms are embodied in individual beliefs. Relying on many historical accounts, together with various robustness checks, we argue that the southward out-migration of individualistic people during the eight centuries of the territorial expansion is an important driver, among many others, of these cultural differences.

Keywords: Culture; Selective Migration; Vietnam.

JEL Classification: N45; O53; Z1.

Tying Peasants to Their Land: The Rise and Fall of Private Property Rights in Historical Vietnam

I present a theory to account for the emergence of land rights in a subsistence agricultural economy. An important feature is that, to maximize tax revenue, an authoritarian state must devise land rights to overcome the informational constraint in registering the population for tax collection. It can do so, given the state capacity is sufficiently high, by owning land and assigning cultivation rights (but not sale or transfer rights) to landless peasants to tie them to their land. The theory gives rise to a testable hypothesis, positing that private ownership of land is less prevalent in areas where population density is higher. In the early 19th century, the new Nguyen Dynasty of historical Vietnam carried out a land registry to establish formal land rights in the whole country. This historical experiment rules out the potential reverse influence of private land rights on population density. Exploiting this land registry, I discover that private ownership of land is less prevalent in areas where population density is higher. Furthermore, primary accounts and related historical studies show that the mechanism at work is in line with the proposed theory. Thus, the theory in question and the associated empirical evidence show that a strong state could reverse the general process in economic history whereby societies moved towards private land rights as population density increased and land became more scarce.

Keywords: Land Rights; Population Density; Historical Vietnam.

JEL Classification: D02, Q15, N45.

Land Tenure and Economic Development: Evidence from a Nationwide Land Reform

The relationship between private property rights and economic development has been investigated by numerous cross-country studies. Nevertheless, aggregate measures of private property rights have prevented cross-country studies in general from identifying the specific institutions governing private property rights that policy reforms should consider. The present paper investigates the impact of private property rights to land on economic development in a within-country setting, exploiting the 1993 nationwide land privatization in Vietnam. Using a random sample of more than 2000 rural communes across Vietnam, I find that the prevalence of private land tenure has a positive and significant impact on the level of economic development, as proxied by nighttime light intensity. The magnitude of the impact, however, is sensitive to both observed and unobserved confounding factors, and modest. This modest impact is consistent with the lingering insecurity of private land tenure (i.e., the state can revoke the tenure) and the relatively high taxes and time cost of land transactions in Vietnam.

Keywords: Land Tenure; Privatization; Economic Development; Vietnam.

JEL Classification: O11, P48, Q15.

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