

Geography, Environment, and Climate

Jesús Fernández-Villaverde¹

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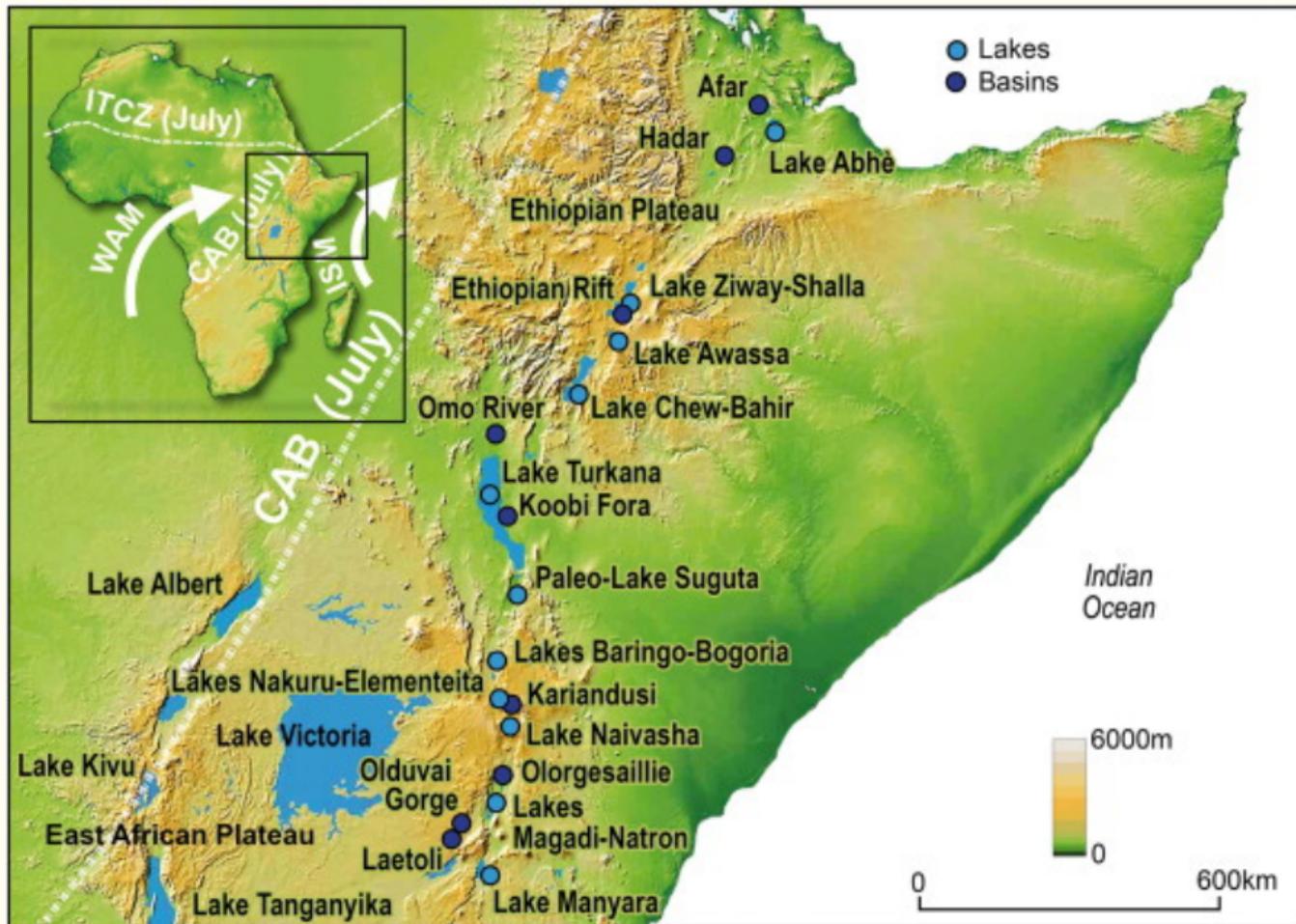
¹University of Pennsylvania

Geography, environment, and climate

- 3 tightly connected aspects (GEC):
 1. (Physical) geography: structures and patterns of the natural space.
 2. (Biological) environment: all living species in a region.
 3. Climate: long-term patterns of weather.
- Separation among these three elements is artificial.
- For example, geography textbooks will include treatments of environment and climate.
- And, more in general, we are affected by events in our solar system (sun flares, meteorites,..) that are hard to fit in the elements above.
- But I find the breakdown useful to organize my presentation.

GEC and economic history I

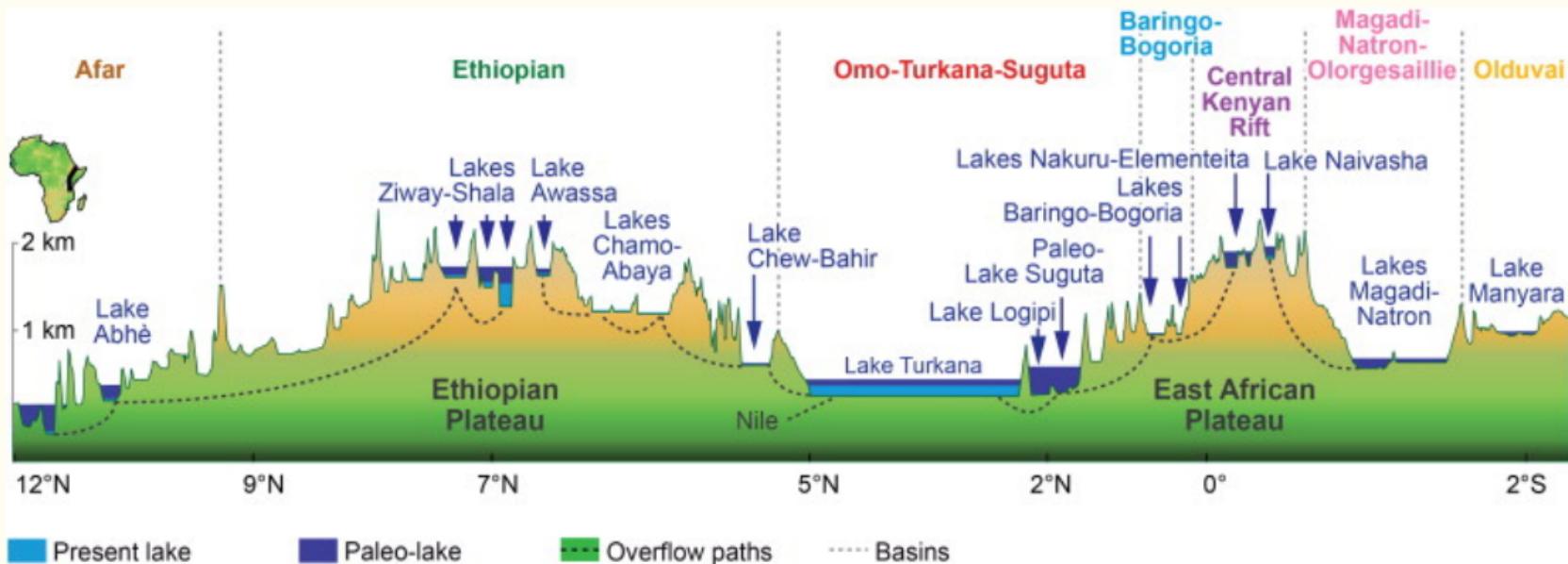
- We want to relate GEC with economic history and growth.
- How do GEC affect humans?
- At a very fundamental level, GEC determined our evolution as a species and, hence, all economic growth.
- Three correlated factors induced a deep evolutionary change:
 1. East African rift.
 2. Himalayas and the Tibetan plateau.
 3. Closing of the Indonesian seaway.



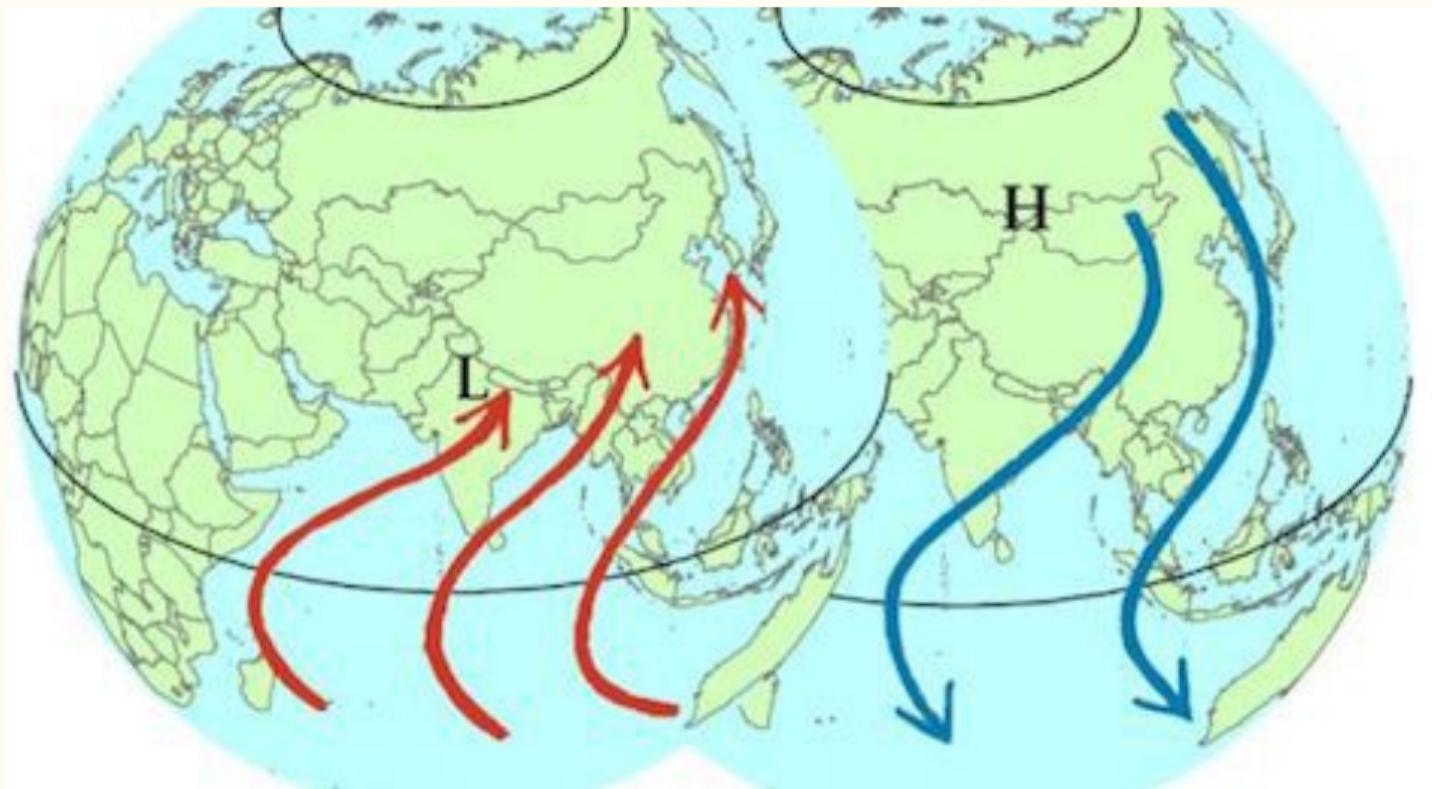


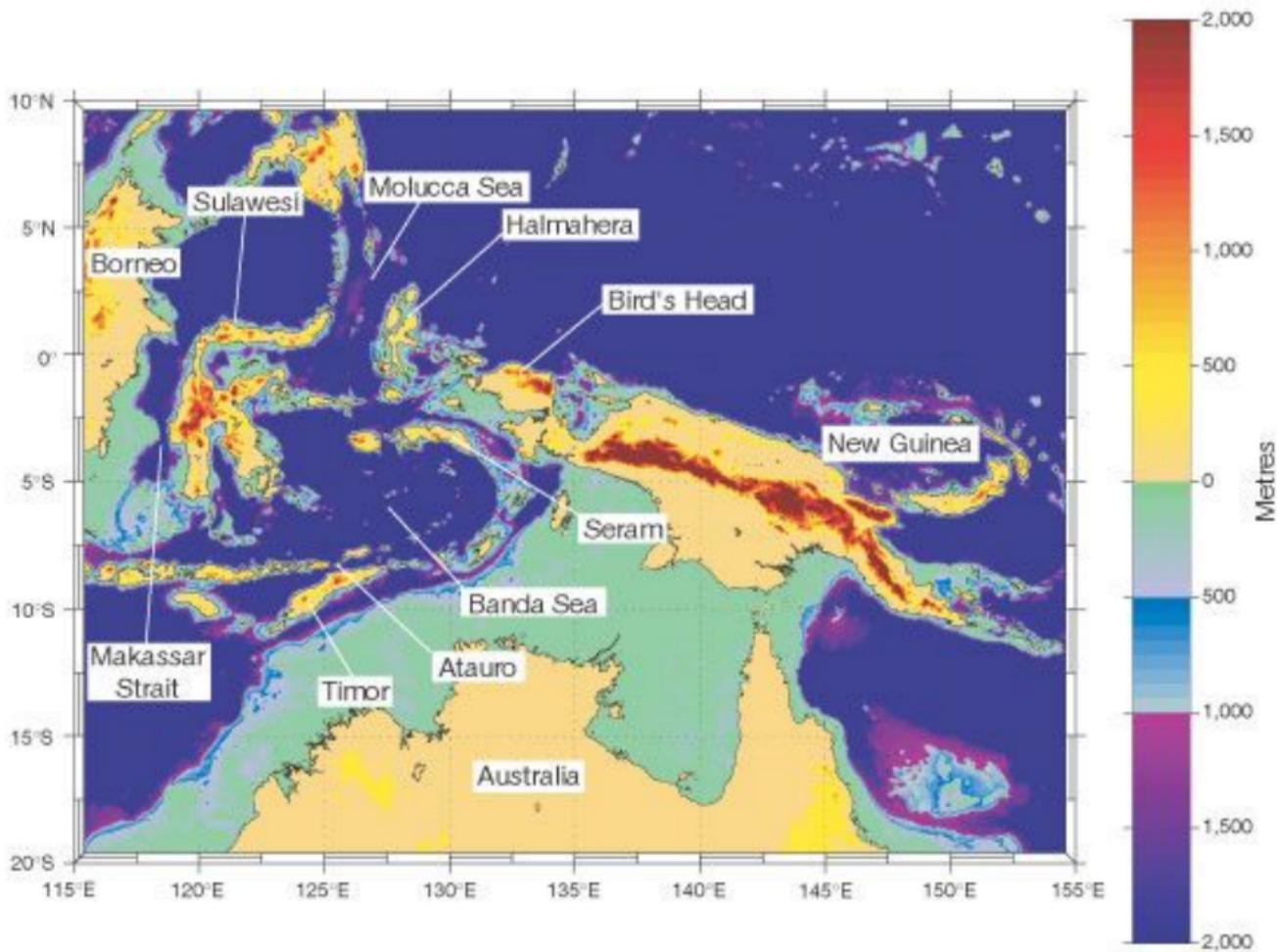












GEC and economic history II

- More recently, geology, terrain, temperature, rainfall, vegetation, and ecology shape how we organize our economic life: natural resources, transportation, and physical and biological hazards.
- GEC even affects our bodies through the high plasticity of our bones.
- And, indirectly, our brains:
 1. Farmers vs. hunter-gatherers.
 2. WEIRD (Western, educated, and from industrialized, rich, and democratic countries). Examples with:
 - 2.1 Ultimatum game.
 - 2.2 Discounting.
 - 2.3 Kinship relations.





a



A



B



What goes with this? A or B

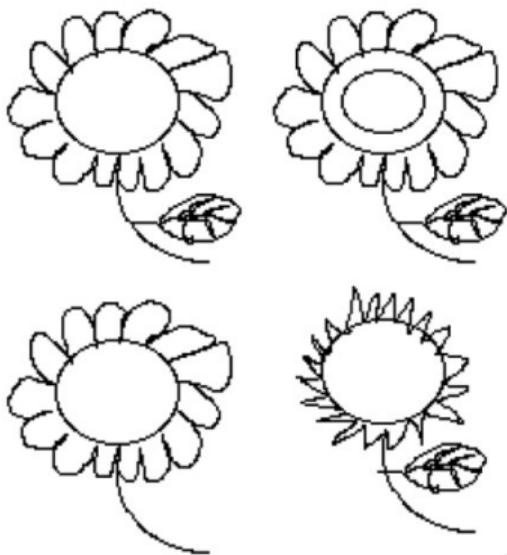
b

of groupings (relational - categorical)

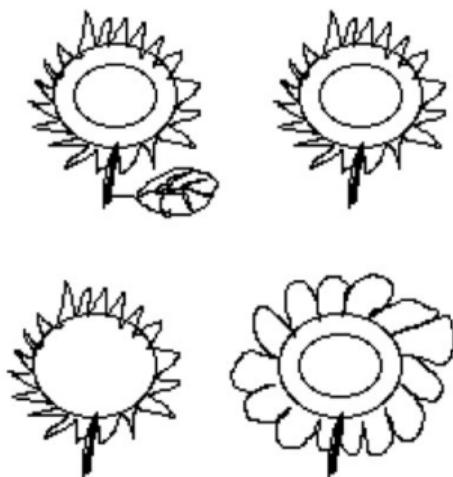


a

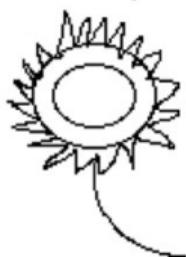
Group 1



Group 2

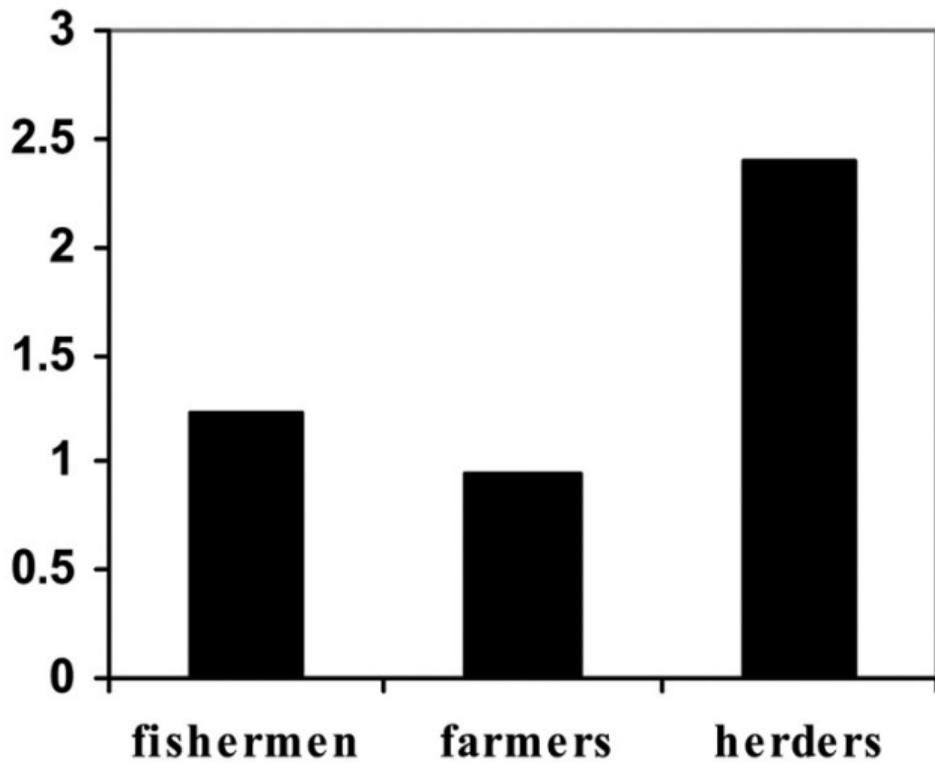


Test Object



b

of groupings (categorical -relational)



- More interestingly even, how do humans affect GEC?
- Many scientists like to talk about the “anthropocene” as a new geological epoch where the presence of humans is fundamentally changing the earth.
- A striking example: the scarcity of low-background steel for detecting radionuclides.

Three Gorges dam









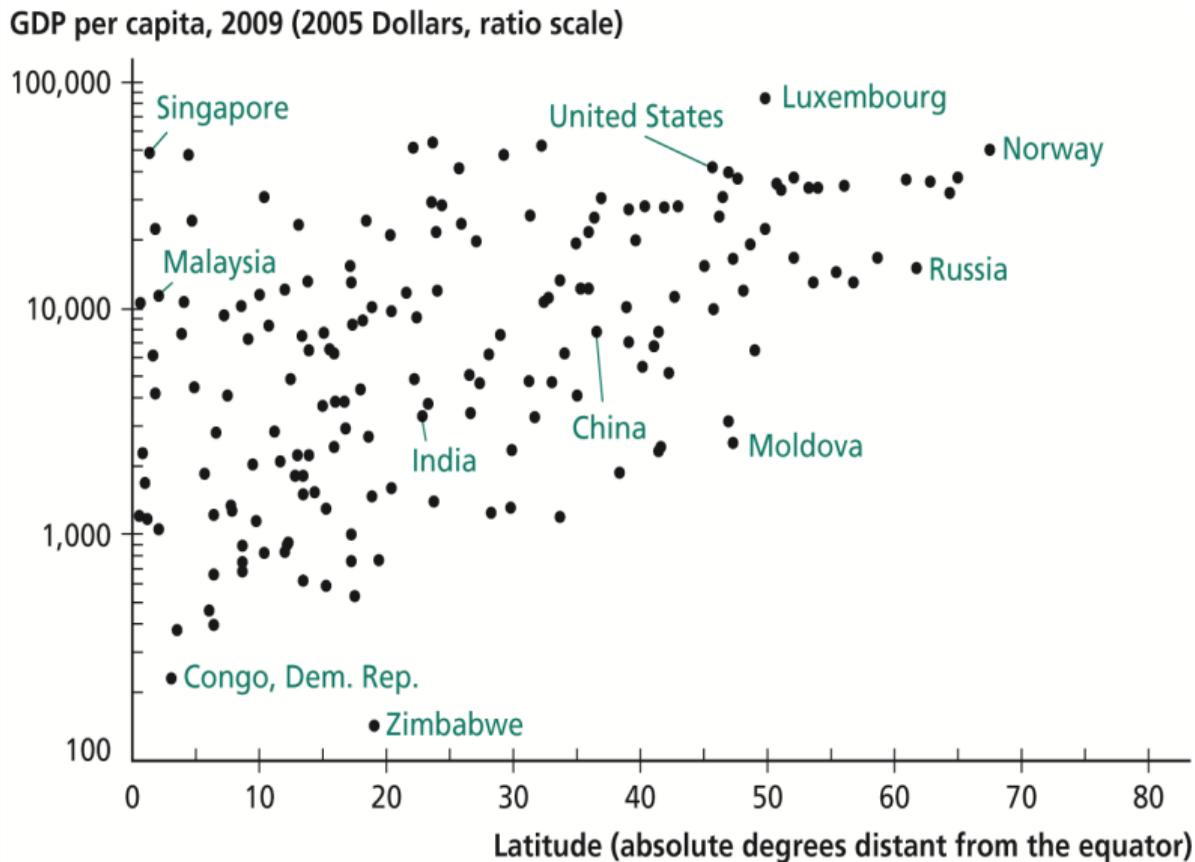
Our investigation

- Not your traditional geography or social studies class back in high school.
- Also, we will not postulate a deterministic relation between GEC and outcomes but a distribution of probabilities.
- Modern study in economics and history:
 1. New growth theory.
 2. Environmental history.
- Let's see some evidence. But remember: "Every map is a lie" (Attila Bátorfy).

A world map

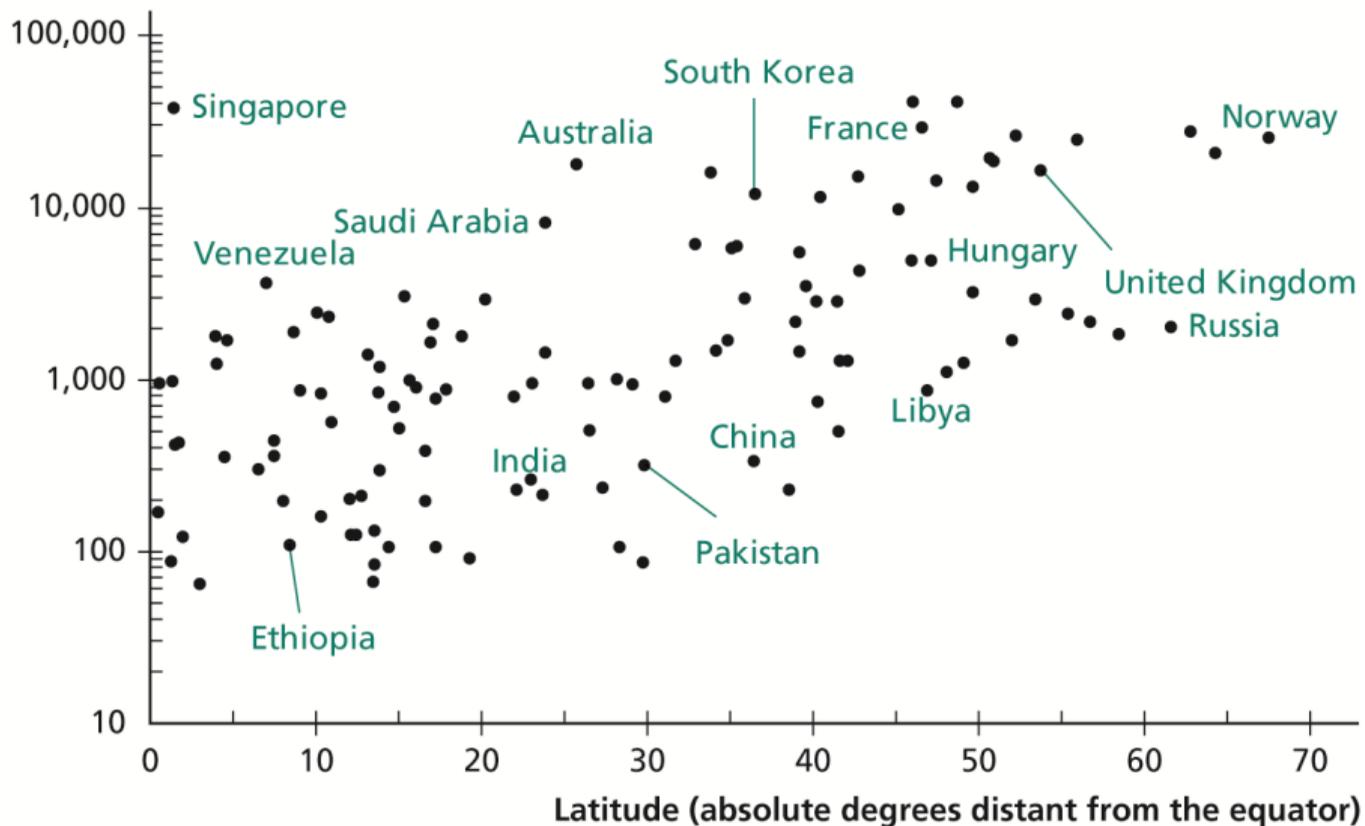


Latitude vs. income per capita

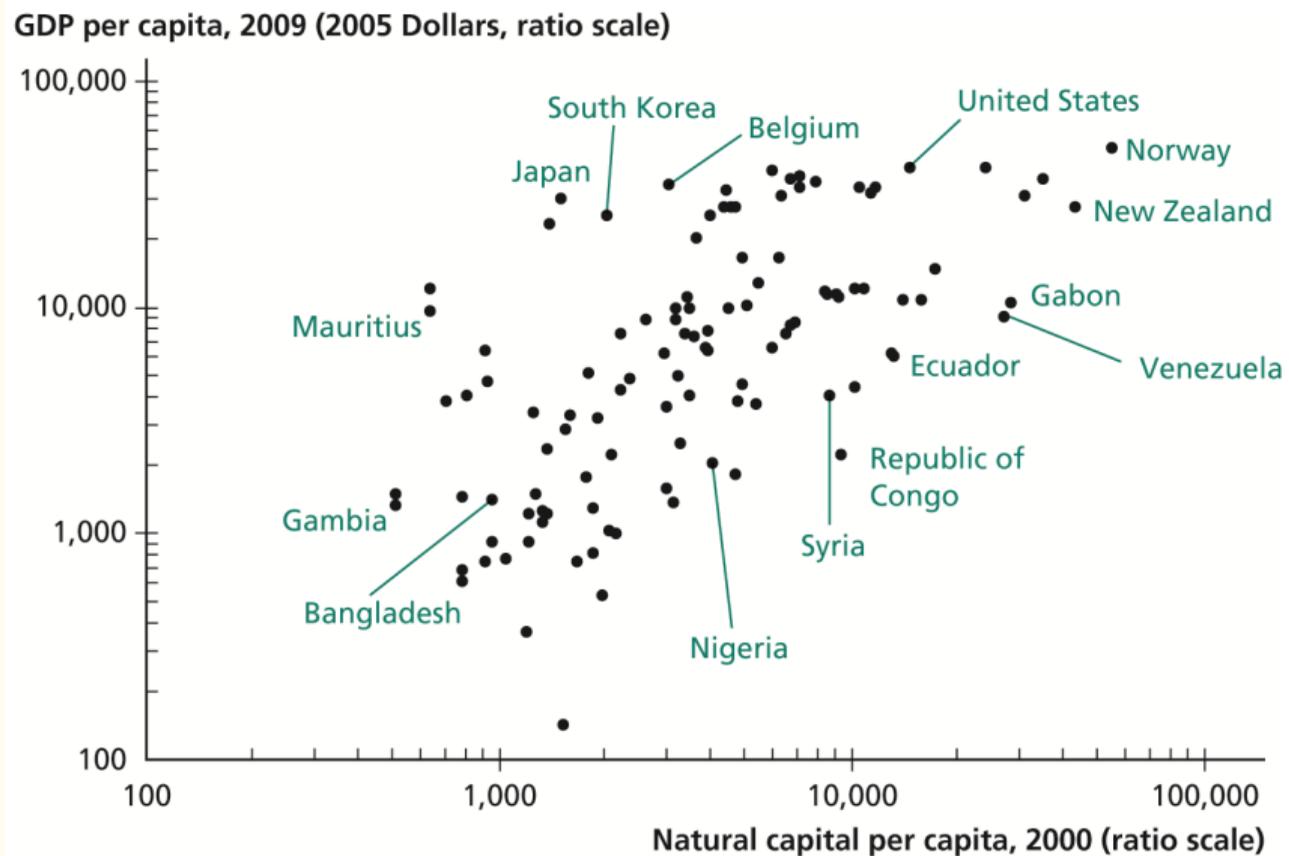


Latitude vs. agricultural GDP per worker

Agricultural GDP per agricultural worker, 2009 (ratio scale)

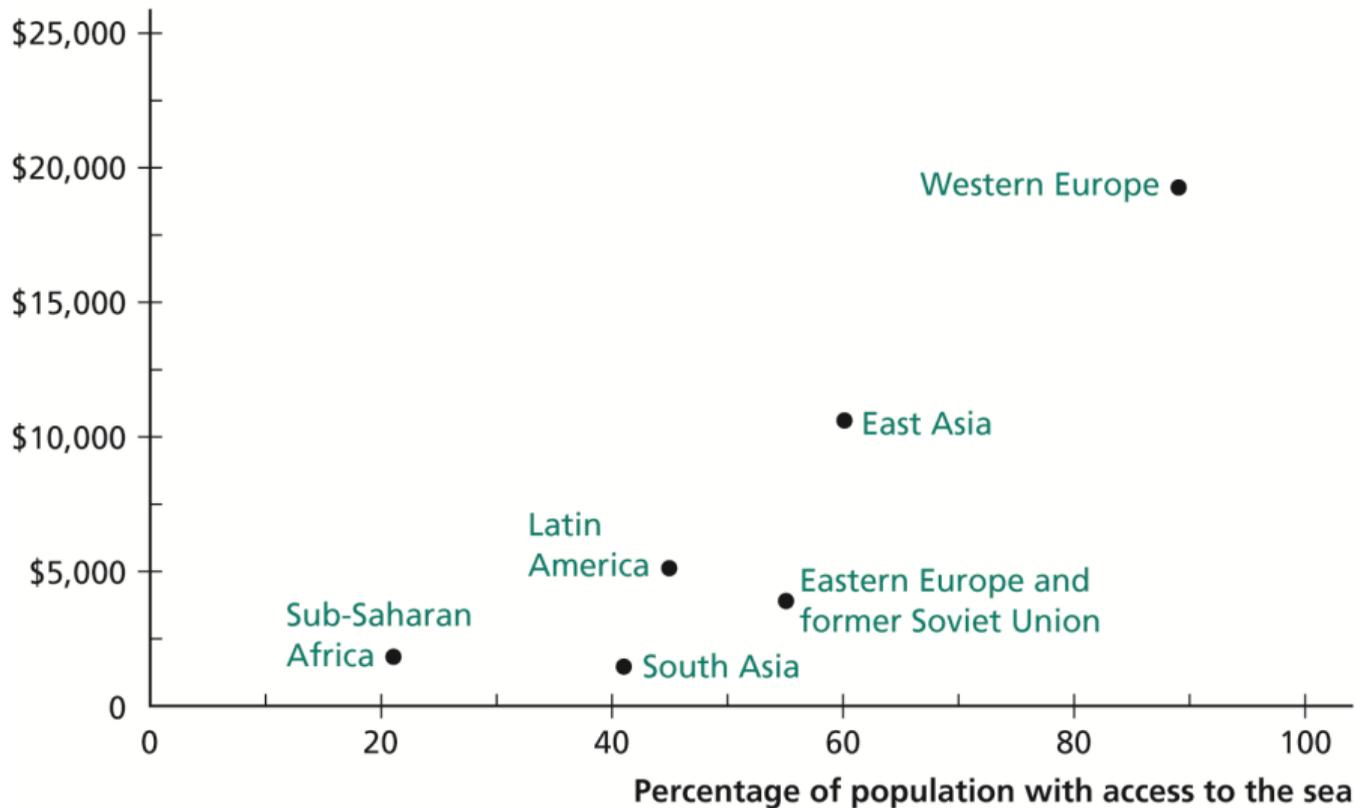


Natural capital vs. income per capita



Access to sea vs. income per capita

GDP per capita, 1995

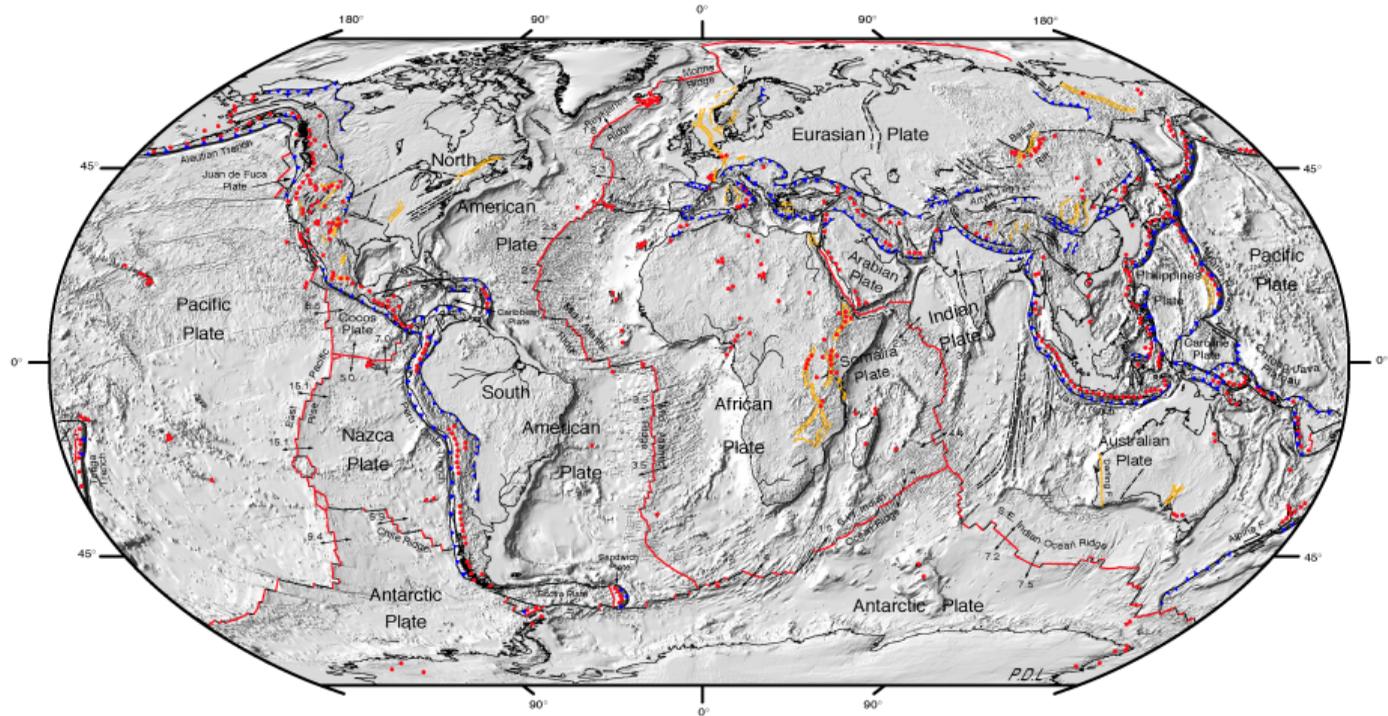


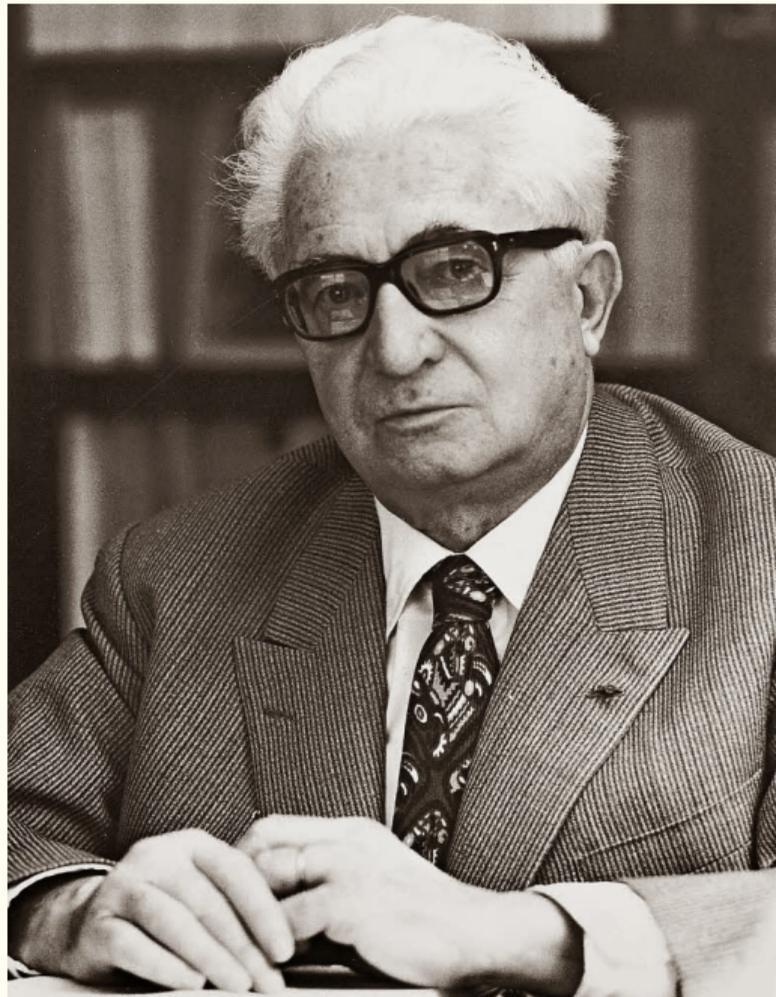
Geography

- Key role of plate tectonics in human history.
- Examples:
 1. Europe is 1/8th of the size of Africa, but the coastline is 50 percent longer.
 2. Plants of civilization: wheat, rice, and maize⇒**Fernand Braudel**, *Les Structures du quotidien: le possible et l'impossible* (1979).
 3. **De Gaulle's memoirs**: “Mr. Churchill and I agreed modestly in drawing from the events which had smashed the West this banal but definitive conclusion: when all is said and done, Great Britain is an island; France, the cape of a continent; the United States, another world.”
- What are the consequences?

DIGITAL TECTONIC ACTIVITY MAP OF THE EARTH

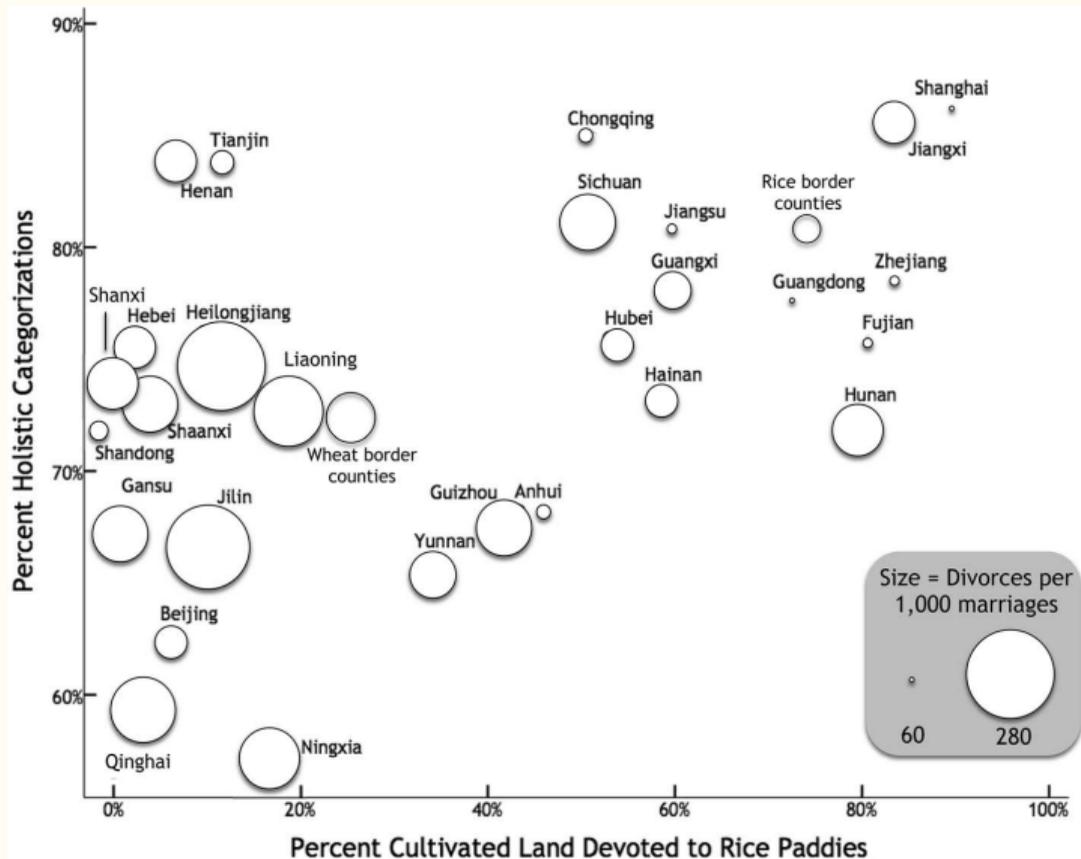
Tectonism and Volcanism of the Last One Million Years





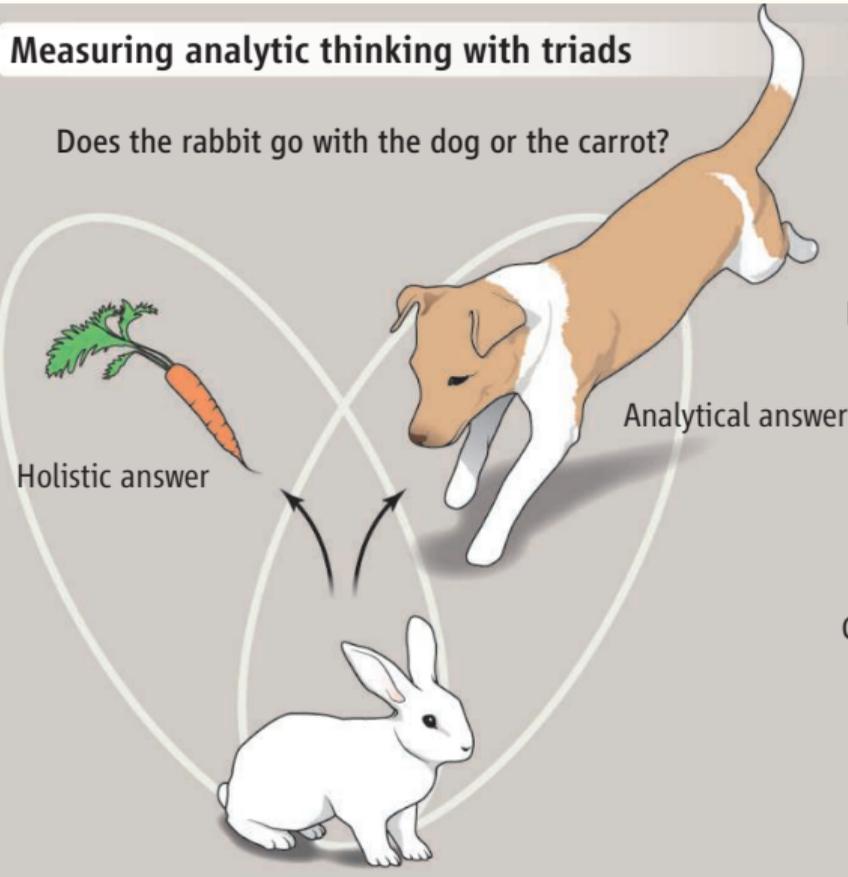


Rice vs. wheat I



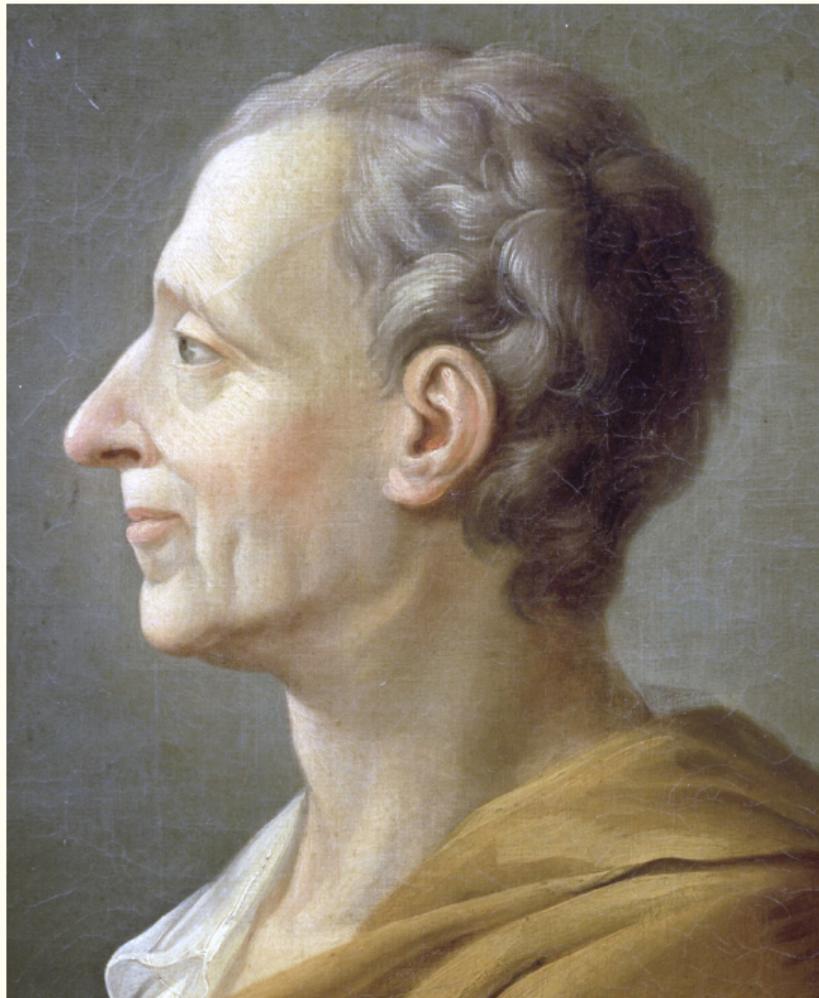
Measuring analytic thinking with triads

Does the rabbit go with the dog or the carrot?

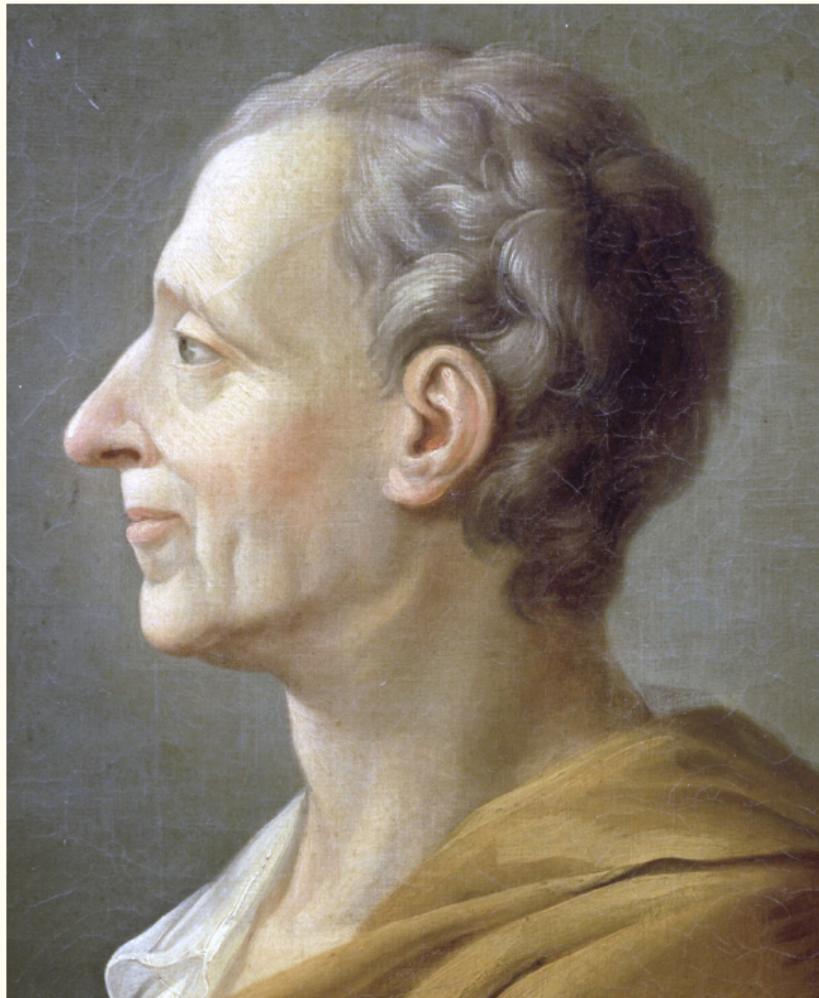


Traditional geographical explanations

- Climate. **Montesquieu**, *The Spirit of the Laws* (1748) (he was a wine grower). A cold climate is good for growth; warm climates are bad: North Europe was a backwater region until the late middle ages. Comparison with Fertile Crescent and Nile valley.
- Low land river valleys in dry climates:
 1. Problems with Fertile Crescent: food production appears in hills. States and bureaucracy only follow agriculture for some time.
 2. Relation with “hydraulic-bureaucratic official-state,” **Karl Wittfogel**, *Oriental Despotism: A Comparative Study of Total Power* (1957).
- Geographical determinism: Ellsworth Huntington (1876-1947).
- Geopolitics: Mackinder, Mahan, Kjellén, Haushofer.







The Geographical Pivot of History, Halford J. Mackinder



The Influence of Sea Power Upon History, 1660-1783, Alfred Thayer Mahan



Possibility I: Political division is good

Eric Jones, *The European Miracle* (2003) \Rightarrow geography again, hypothesis 1.

- We already argued that China versus Europe.
- Why is political division good?
 1. Competition.
 2. Robustness.

Empirical evidence I: China

- Emperor Qiánlóng (1736-1799) ordered the compilation of the most famous works of the Chinese past: *Four Treasuries* (classics, history, philosophy, literary works).
- Enormous work: 36,000 manuscript volumes.
- To do so, private libraries were searched.
- Taking advantage of the opportunity, several types of books were destroyed:
 1. Books that implied resistance against the Manchu rule of China.
 2. Books on geography or travel that could give inside information on China's defenses.
 3. Books that exposed philosophical interpretations of the classics that were different from ones preferred by the scholars at the court.
- We know of over 2000 titles that were destroyed and that now are likely lost forever.
- This is not the only time in China's history: First Emperor's *Burning of the Books and Burying of the Intellectuals*.

- Arrival of Arab numbers (actually Indian numbers) to Europe in the 13th century.
- Fantastic new technology.
- Florence opposed it. Arte del Cambio code in 1299 explicitly prohibited Arab numbers. Why?
- However, soon, Florence bankers were dominated by bankers in other cities.

Possibility II: China's endowments are bad

Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy* ⇒ geography again, hypothesis 2.

- Coal:
 1. Far away from production centers.
 2. Steam engine versus ventilations.
- Environmental limits.
- Pacific is bigger than Atlantic, and tides move in the opposite direction.

An empirical application

- How is the evolution of population growth and technological change since 1 Million BCE?
- Basic lesson so far: growth depends on technological progress.
- Intuition: more people probably must imply higher knowledge accumulation.
- Thus, growth and population may be closely linked.
- Empirical evidence.

A simple model I

- Production function: we produce output with land, labor, and technology:

$$Y = Ap^\alpha T^{1-\alpha}$$

- Malthusian assumption: we will reproduce (or die) until we reach income per capita y^* where:

$$p^* = \left(\frac{A}{y^*} \right)^{\frac{1}{1-\alpha}} T$$

- Technology progress depends on population size:

$$\dot{A} = gpA^\phi$$

where g and ϕ are parameters.

A simple model II

- Take time derivatives of p^* to get:

$$\frac{\dot{p}}{p} = \frac{1}{1-\alpha} \frac{\dot{A}}{A}$$

- Then:

$$\begin{aligned} \frac{\dot{p}}{p} &= \frac{g}{1-\alpha} p A^{\phi-1} \\ &= \frac{g}{1-\alpha} (y^*)^{\frac{1}{\alpha-1}} A^{\phi-1+\frac{1}{1-\alpha}} T \end{aligned}$$

- Therefore, bigger land surfaces should sustain more people \Rightarrow more technology \Rightarrow more people.
- Depending on the value of ϕ , we can have explosive growth, a balanced growth path, or a steady state.

- A first look at the data.
- Regression:

$$n_t = -0.0026 + 0.524 L_t$$

(0.0355) (0.0258)

$$R^2 = 0.92, D.W = 1.10$$

- Robust to different data sets and specifications.

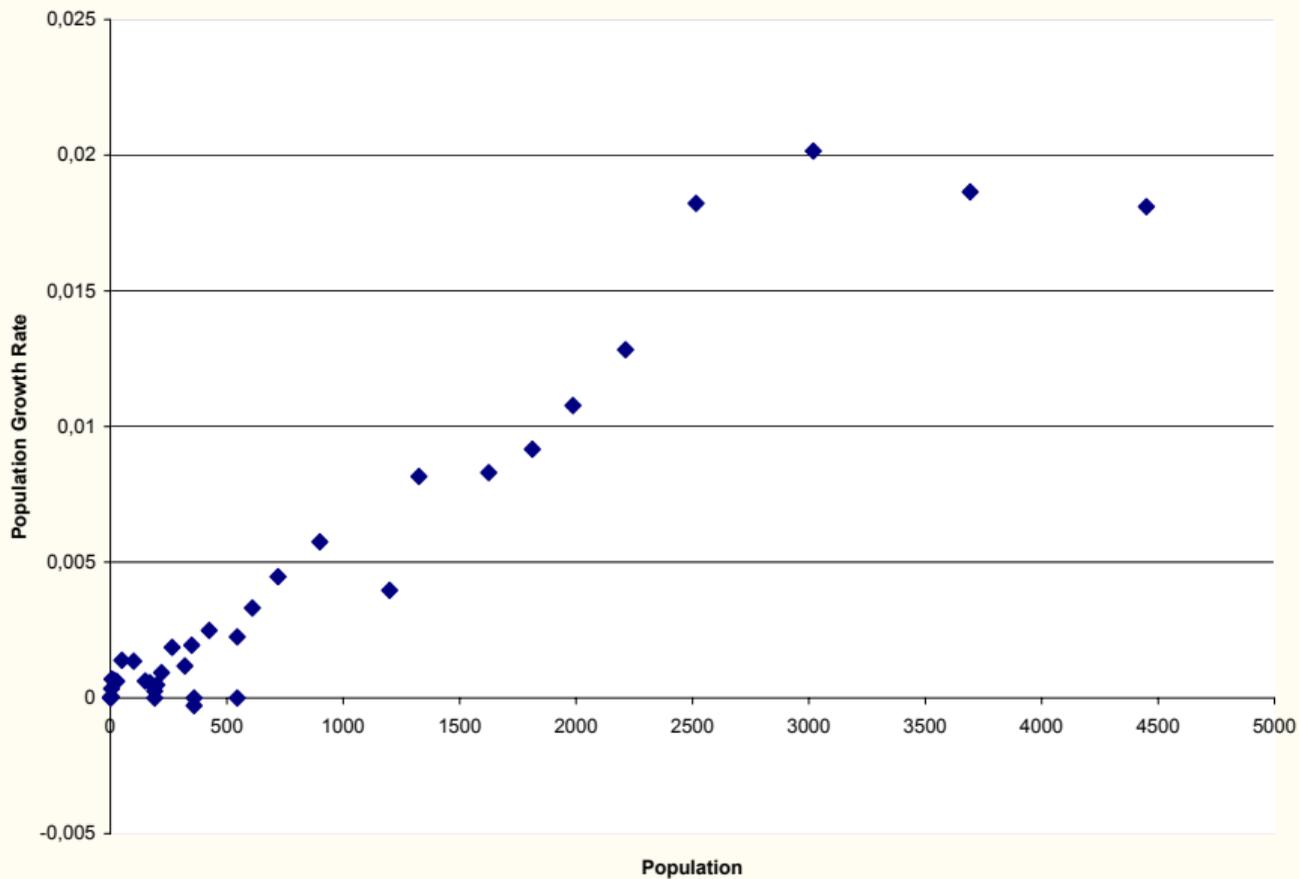
Cross-sectional evidence

- World population was separated from 10,000 BCE to circa 1500.
- Population and Population Density *circa* 1500:

	Land Area	Population	Pop/km ²
“Old World”	83.98	407	4.85
Americas	38.43	14	0.36
Australia	7.69	0.2	0.026
Tasmania	0.068	0.0012-0.005	0.018-0.074
Flinders Islands	0.0068	0.0	0.0

- England *versus* Europe and Japan *versus* Asia.

Population and population growth



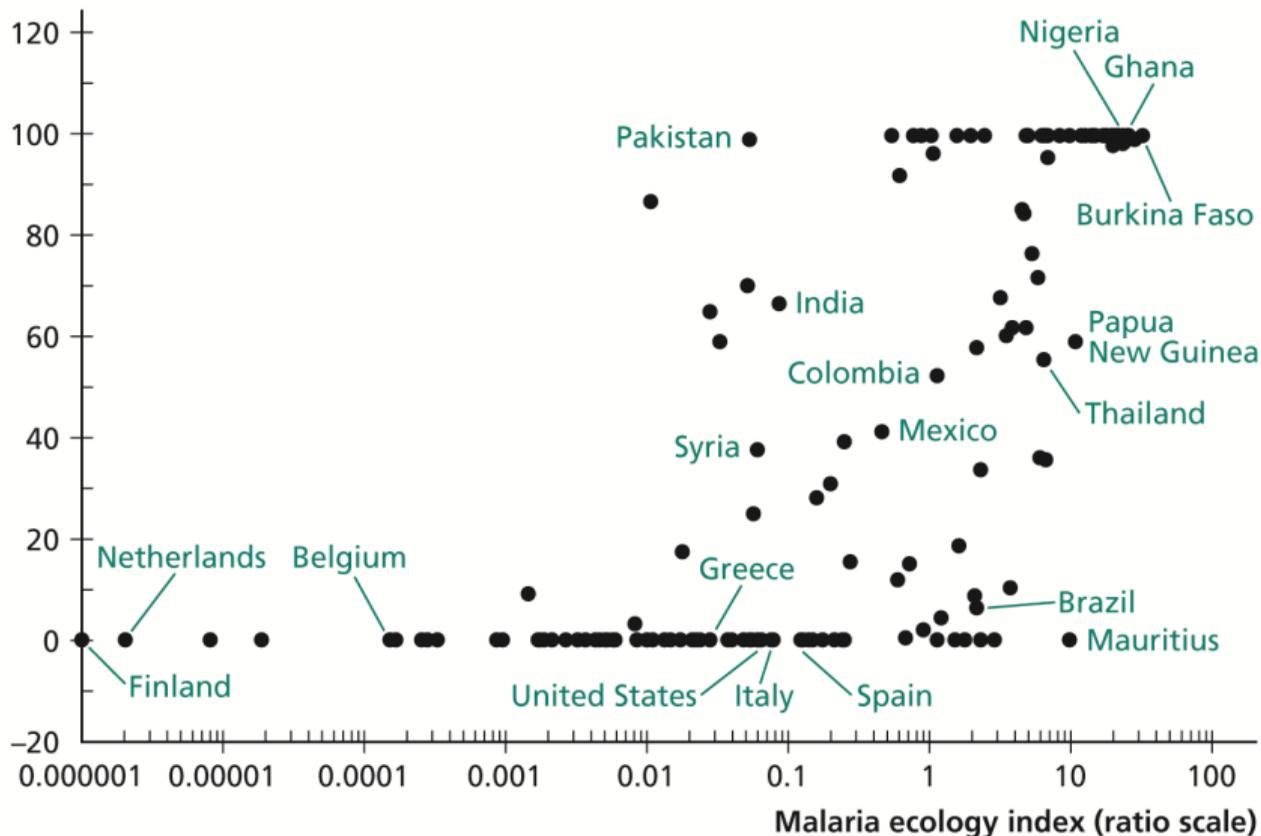
Environment

Microbes, viruses, and plagues

- Microbes, viruses, and plagues also play a crucial role in human history.
- Different patterns of economic, social, and political life.
- Co-evolution of diseases and plagues with humans.
- Tropical diseases are highly damaging and challenging to fight:
 1. Late Europeans colonization of Africa.
 2. New England vs. Virginia in American colonial times: winter kills all germs in the north but not in the south.
- Also, insects such as mosquitoes.

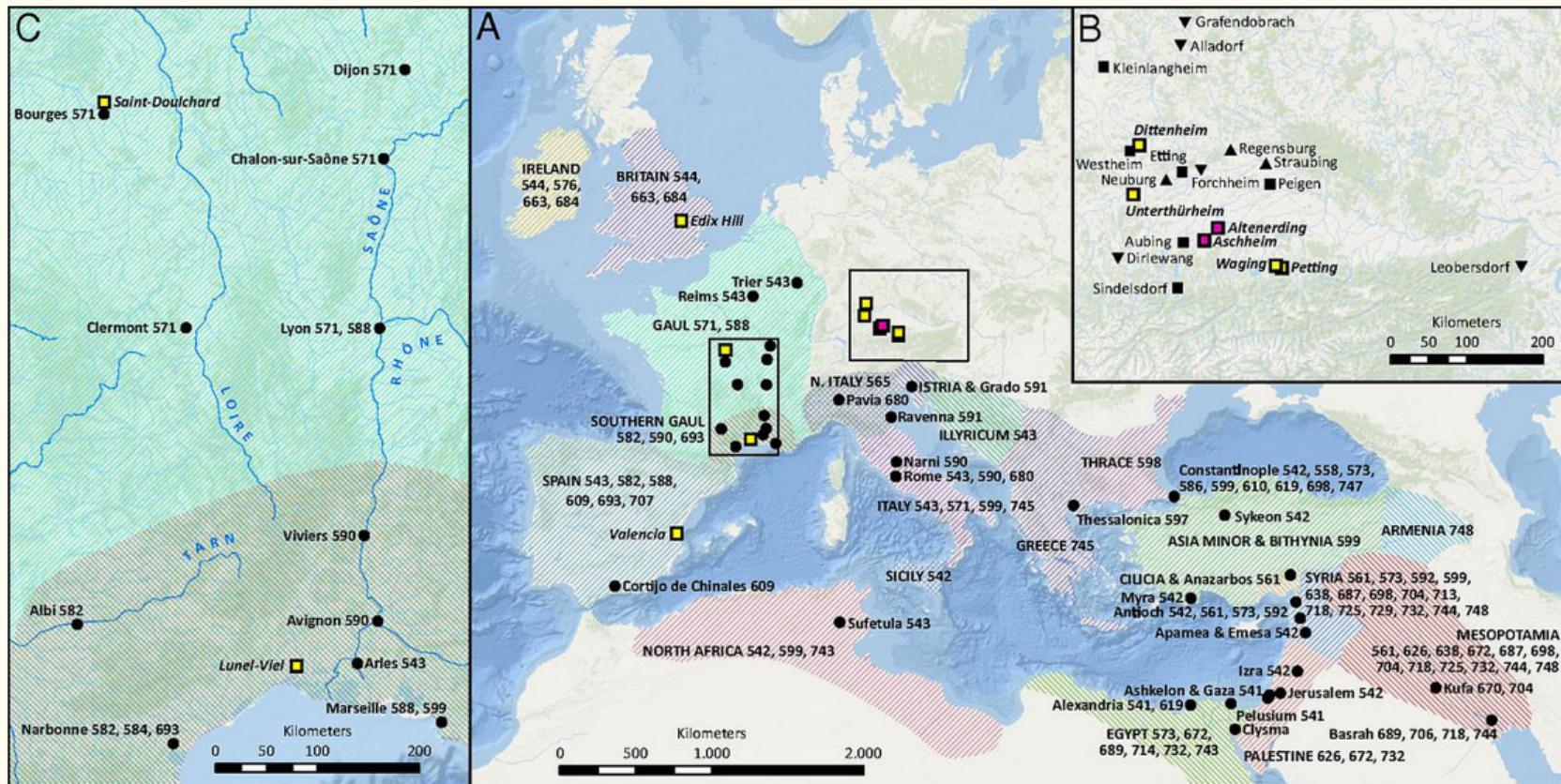
Malaria

Percentage of the population at risk for malaria, 1994



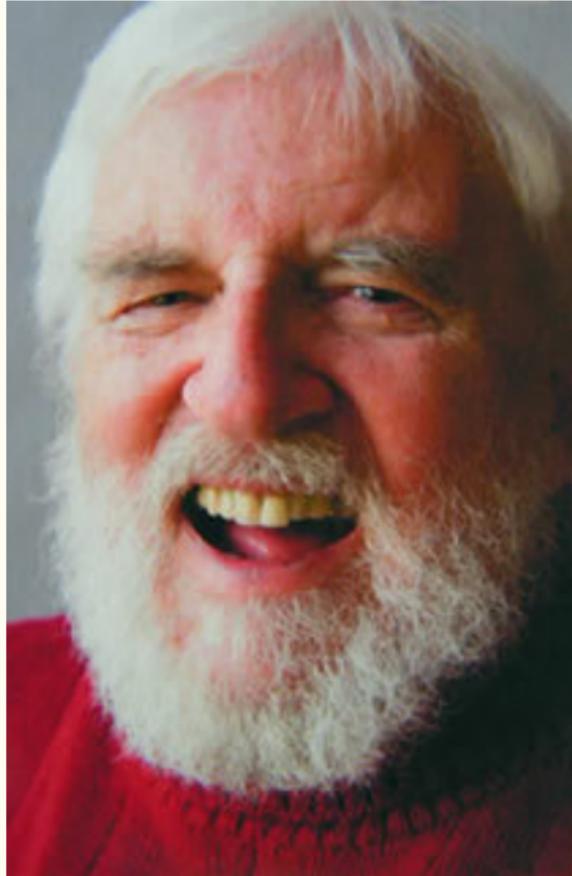
1. The Plague of Athens (430 BCE): first document pandemic thanks to Thucydides.
2. Justinianic Plague, from 541 CE to 750 CE. Recent recovery of DNA from *Yersinia pestis*. Combined with the end of the Roman climatic optimum.
3. Black Death.
4. Arrivals of Europeans to the Americas.
5. Spanish Flu (1918).
6. HIV/AIDS.
7. COVID-19.

Justinianic Plague



Changing the environment: the Columbian Exchange

- Environment can be modified: the Columbian Exchange.
 - Transfers of plants, animals, and microbes among the Americas, Europe, Asia, and Africa.
 - Also, within the Americas (e.g., mate).
 - Some of it was voluntary, some involuntary.
- Alfred Crosby, [The Columbian Exchange](#) and [Ecological Imperialism](#).
- Breaks hundreds of thousands of years of separate evolutionary changes.



Euroasia to America

1. Cereals: wheat, rice, barley, rye, millet, oat.
2. Fruits: banana, watermelon, coconut, mango, apple, pear, apricot, peach, plum, cherry, citrus, olive.
3. Vegetables: turnip, radish, soybean, garlic, eggplant, artichoke, asparagus, beet, cabbage, cucumber, carrot, pea.
4. Work animals: Horse, camel, water buffalo.
5. Farm animals: cow, pig, chicken, goat, sheep, goose.
6. Bee.
7. Coffee, tea, and sugar (white gold, Canada versus Guadeloupe in 1763).
8. Microbes: bubonic plague, chickenpox, cholera, influenza, leprosy, malaria, measles, scarlet fever, smallpox, typhoid, typhus, yellow fever.

An “American” breakfast



Sugar



America to Euroasia

1. Maize (first for livestock feeding, later human consumption).
2. Other staples: sweet potatoes, potatoes, manioc (remember Malthusian model?).
3. Vegetables: tomatoes, chili pepper, bell pepper, bean, squash.
4. Peanut, sunflower, cashew, pecan.
5. Fruits: blueberry, huckleberry, pineapple, pumpkin, avocado.
6. Vanilla.
7. Rubber.
8. Animals: turkey, llama, guinea pig.
9. Tobacco and cocoa.
10. Syphilis.

Byrd plantation

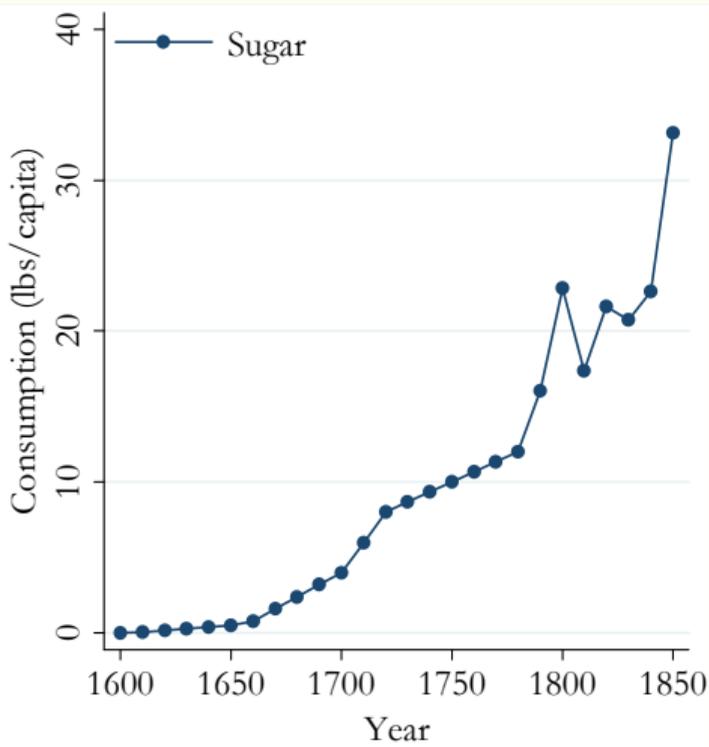
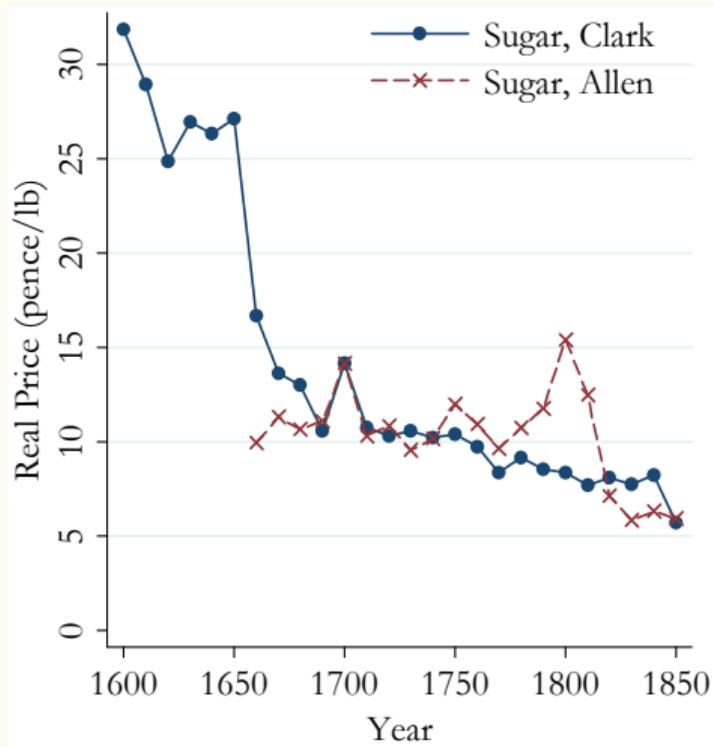


Consumption colonial luxuries in Europe, lbs. per head/year

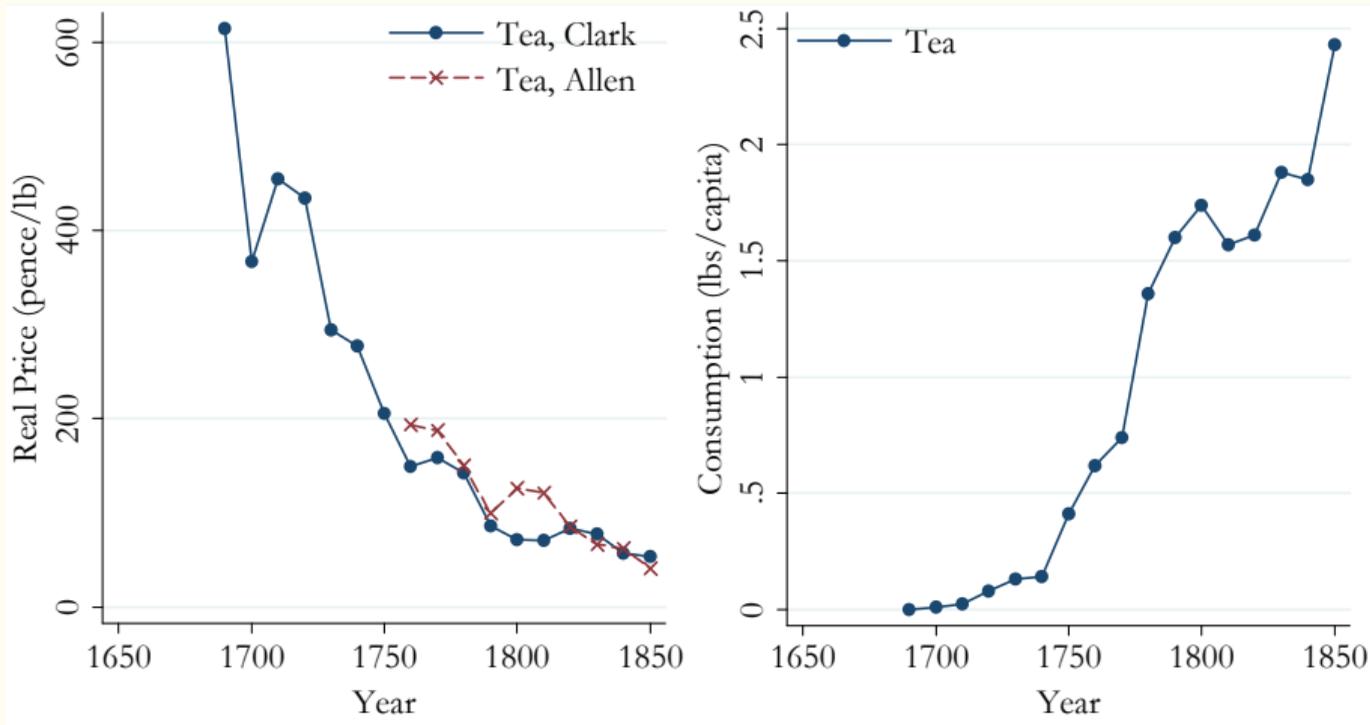
	Sugar		Coffee		Tea	
England	1670s	2.2	1699-1701	0.1	1722	0.6
	1700-9	5.7	1749-51	0.1	1750-9	1.1
	1750-9	11.0	1801	0.1	1804-6	1.7
	1770-9	23.1	1841	0.5	1844-6	1.8
Belgium	1800	3.6	1790	0.1	1720-9	0.1
	1850-4	6.6	1850-4	8.8	1850-4	0.02
France	1730-4	1.0	1781-9	0.5		
	1788-90	2.1	1815-24	0.5	1825-34	0.1
	1830	4.4	1825-35	0.6	1835-44	0.1
Austria	1780	0.3	1780	0.1		
	1800	0.9	1800	0.1		
	1830	2.2				

Source: adapted from DeVries (2008)

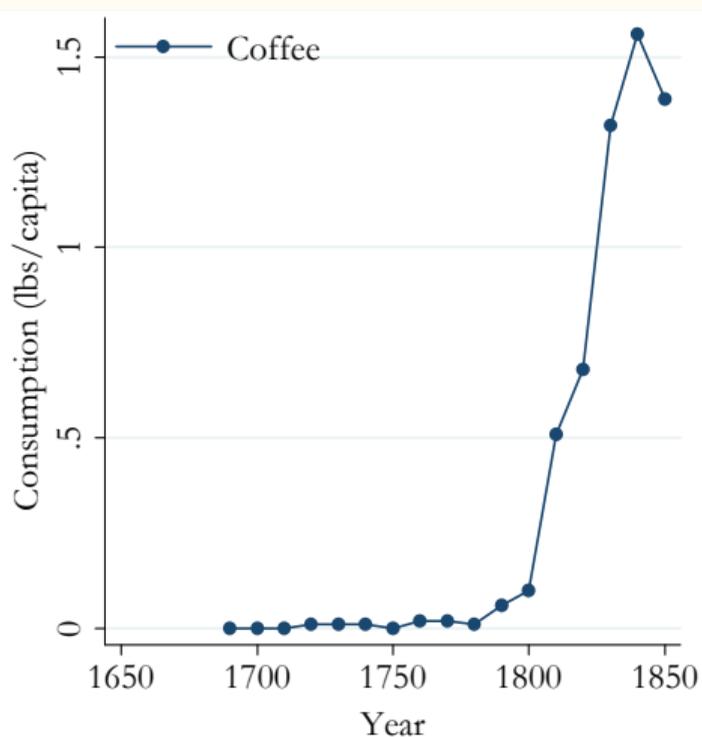
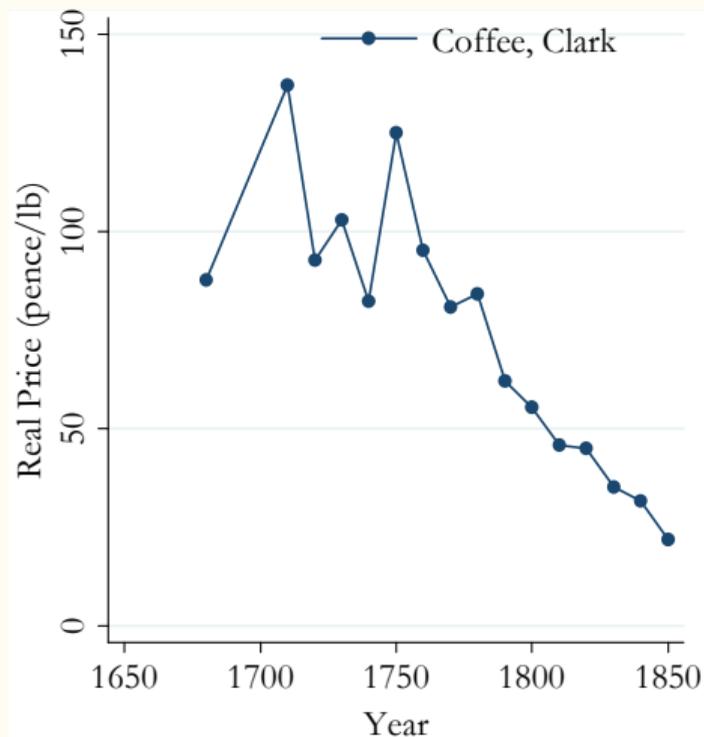
Sugar prices and consumption per capita in England, 1600-1850



Tea prices and consumption per capita in England, 1600-1850



Coffee prices and consumption per capita in England, 1600-1850



Welfare gains from sugar, tea, and coffee in England, 1600-1850

New Good	Year Range	<i>EV</i>	<i>CV</i>	ν	ρ	θ	R^2
Panel A. Results with ρ calibrated at 0.9395							
Sugar	1600–1850	8.0%	7.6%	0.0993	0.9395	0.9435	0.8517
Tea	1690–1850	7.9%	7.3%	0.0572	0.9395	0.9590	0.7718
Coffee	1690–1850	1.5%	1.5%	0.1255	0.9395	0.9875	0.8508
Welfare Gain		17.3%	16.4%				
Panel B. Results with $0 < \rho \leq 2$							
Sugar	1600–1850	6.4%	6.2%	0.0590	0.7216	0.9268	0.8596
Tea	1690–1850	13.6%	11.3%	0.1550	1.4894	0.9711	0.8066
Coffee	1690–1850	2.9%	3.0%	0.3857	2	0.9991	0.8871
Welfare Gain		22.9%	20.40%				

Impact of new goods on welfare

Good	Welfare Gain	Year	Source
Modern Goods			
Apple Cinnamon Cheerios	0.002%	1992	Hausman (1996)
Personal computers	3.5–4%	2004	Kopeccky & Greenwood (2009)
Minivans	0.03%	1988	Petrin (2002)
Satellite TV	0.04–0.06%	2001	Goolsbee & Petrin (2004)
Internet	2-3*%	2005	Goolsbee & Klenow (2006)
Mobile phones	0.46–0.9%	1996	Hausman (1999)
Colonial Luxuries			
Sugar	7.58–8.03%	1600–1850	this study
Tea	7.28–7.85%	1690–1850	this study
Coffee	1.45–1.54%	1690–1850	this study

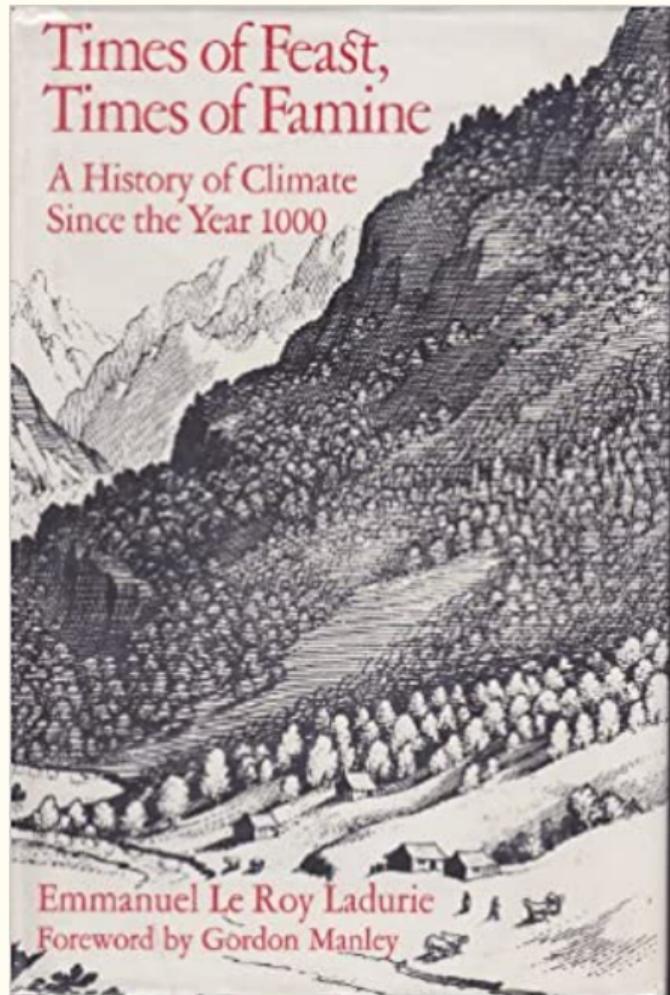
Climate

- Three basic observations:
 1. Climate changes across different areas.
 2. Climate changes over time.
 3. Widespread consensus that part of this change is due to human agency (particularly during the last century).
- Enormous development in the study of climate in history since Emmanuel Le Roy Ladurie's pathbreaking work.



Times of Feast, Times of Famine

A History of Climate
Since the Year 1000



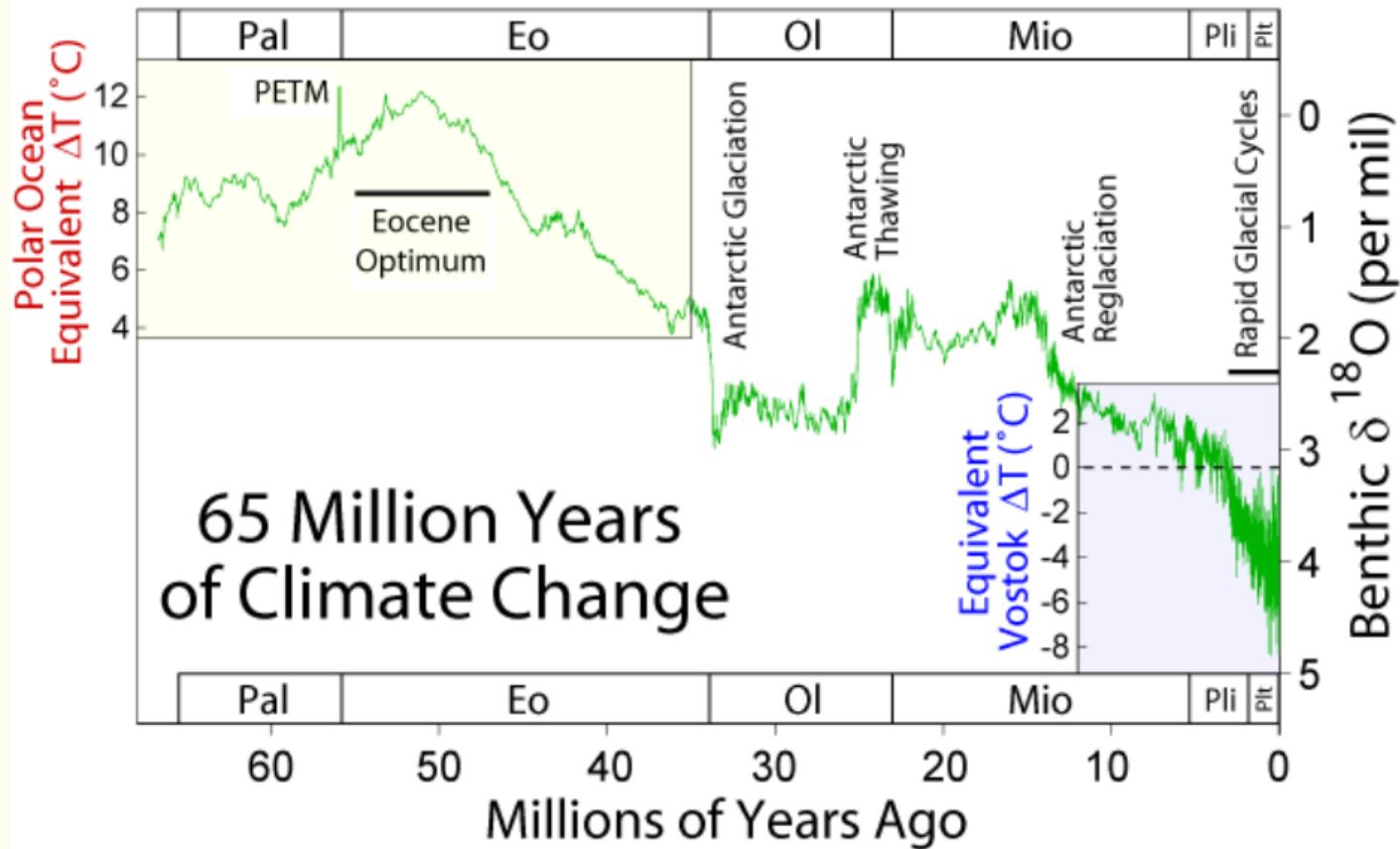
Emmanuel Le Roy Ladurie
Foreword by Gordon Manley

Natural archives

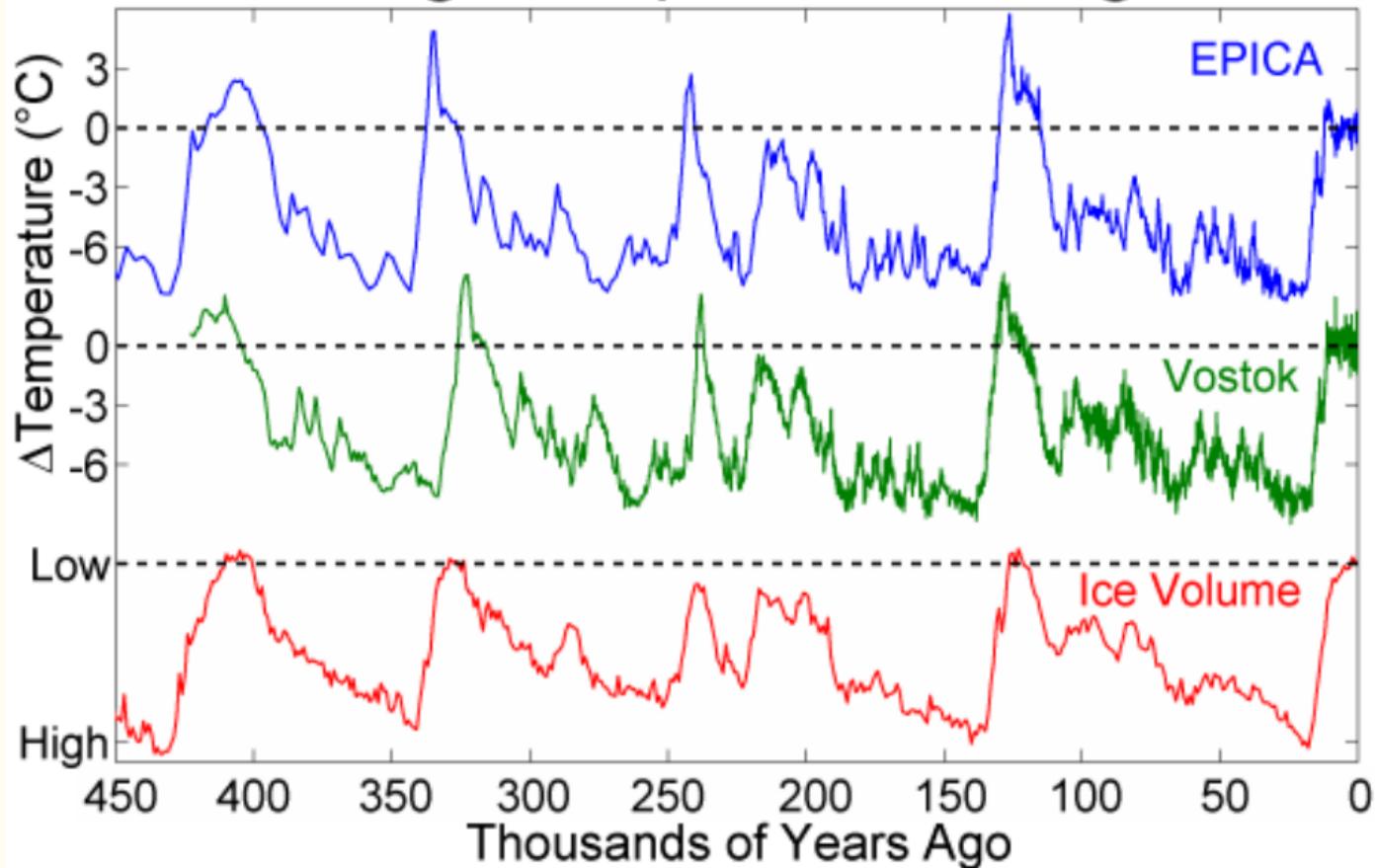
- First reliable thermometer is invented in 1714 by Daniel Gabriel Fahrenheit using mercury.
- Information sources:
 1. Ice cores.
 2. Tree rings.
 3. Cave deposits and speleothems.
 4. Ocean sediments.
 5. Lake varves.
 6. Written accounts: ship logs, letters, diaries, manorial accounts ...
 7. Art: winter landscapes.
 8. Skeletal remains: femur length, infections, degenerative joint disease, dental disease, iron/vitamin deficiencies, trauma, and specific diseases such as TB, rickets, and leprosy.

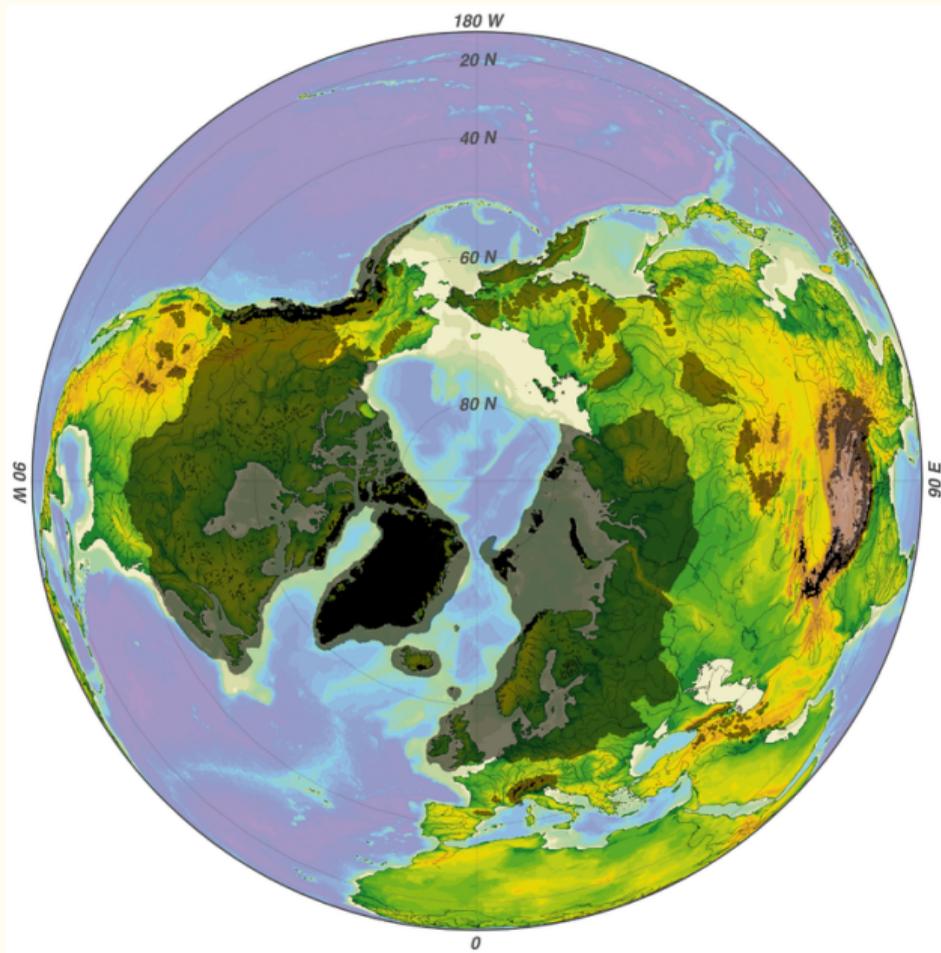
Climate Zone	Description	Representative Cities	Percentage of World Landmass	Percentage of World Population	GDP per Capita Relative to World Average
Af	Tropical Rain Forest	Jakarta, Indonesia Manaus, Brazil	4.0	4.4	0.64
Am	Tropical Rain Forest with Seasonal Monsoon	Manila, Philippines Cochin, India Belém, Brazil	0.8	2.4	0.41
Aw	Tropical Savannah	Dhaka, Bangladesh Kinshasa, Congo Havana, Cuba	10.8	17.5	0.38
Cw	Subtropical: MildHumid with Dry Winter	Hanoi, Vietnam Kanpur, India Lilongwe, Malawi	4.3	16.0	0.44
Cf	Mild Humid Climate with No Dry Season	New York, USA Paris, France Shanghai, China Sydney, Australia	7.7	19.5	2.24
Cs	Mediterranean Climate: Mild, Humid with Dry Summer	San Francisco, USA Rome, Italy Santiago, Chile	2.2	4.3	2.10
Df	Snowy-Forest Climate with No Dry Season	Chicago, USA Moscow, Russia	23.0	5.8	1.90
Dw	Snowy-Forest Climate with Dry Winter	Seoul, South Korea Vladivostok, Russia	6.2	5.3	0.64
BS	Semi-arid Steppe	San Diego, USA Odessa, Ukraine	12.3	11.8	0.55
BW	Desert: Annual Precipitation Less than 15 in. (38 cm)	Cairo, Egypt Karachi, Pakistan	17.3	6.2	0.58
H	Highlands	Mexico City, Mexico	7.3	6.8	0.78
E	Ice Climates: Average Temperature in Warmest Month Less Than 50°F (10°C)	Nuuk, Greenland	4.0	<0.1	—

Source: Data on landmass, population, and GDP per capita are from Mellinger, Sachs, and Gallup (1999).

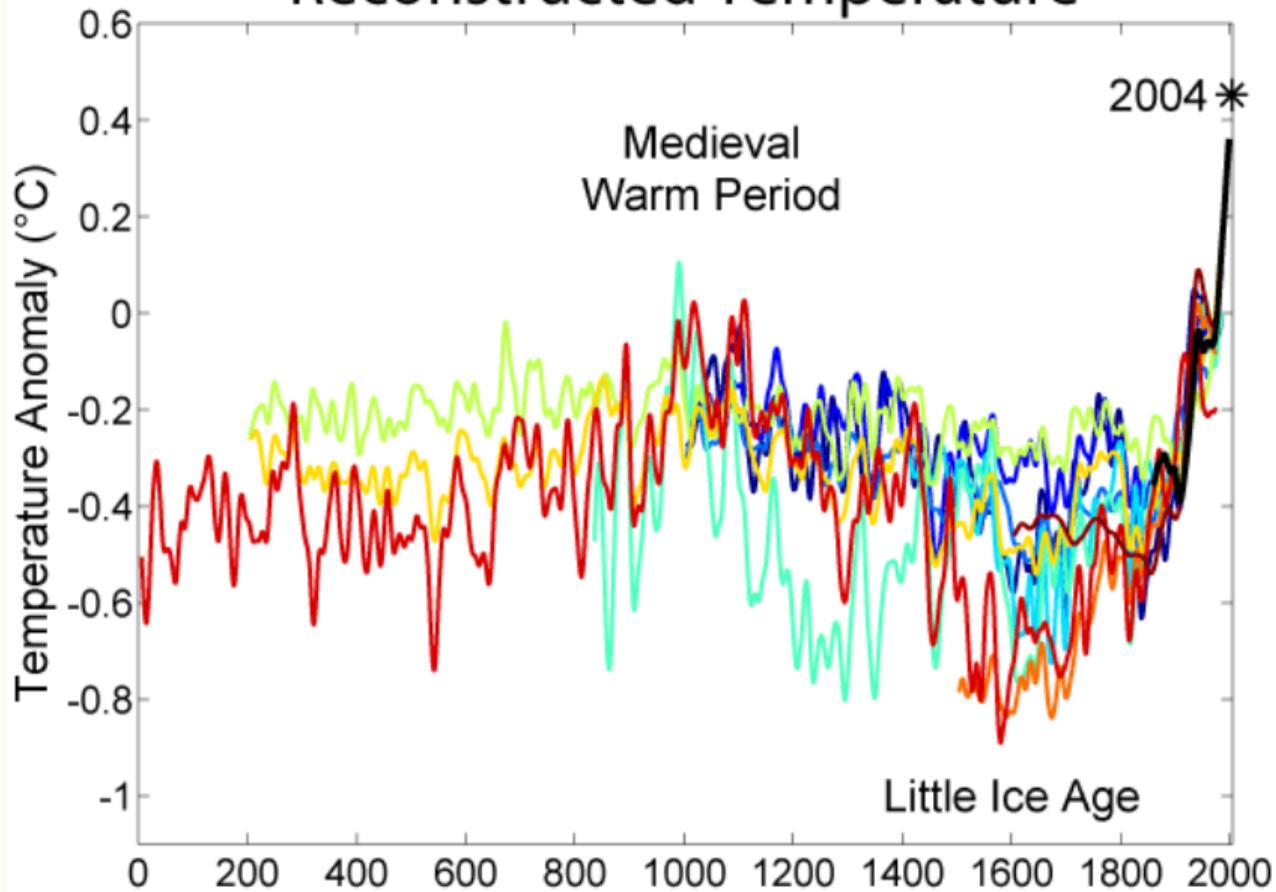


Ice Age Temperature Changes



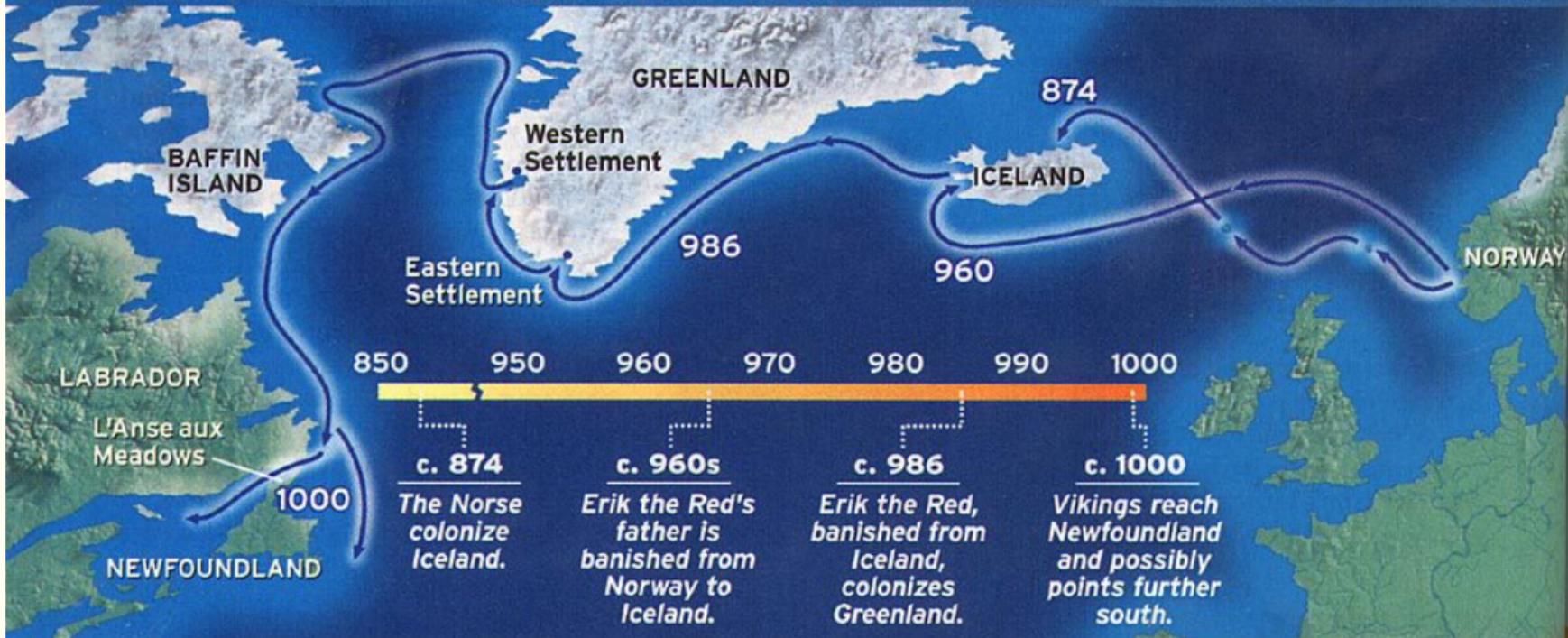


Reconstructed Temperature





The Vikings' Voyage to the New World

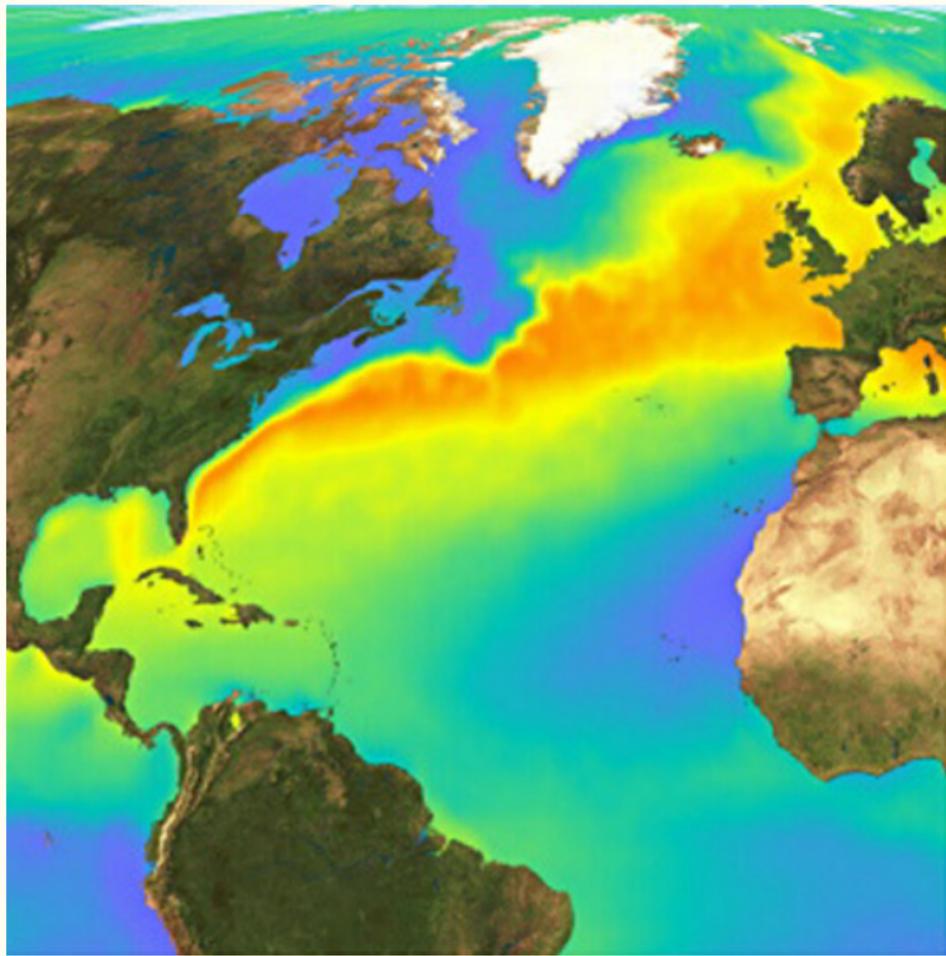






Climate in Europe

- Winters cold enough to wipe out germs, but not too cold. High humidity. Constant rain.
- Dry summers.
- Gulf Stream: the presence of Brazil forces the hot water up in the ocean, and Greenland's waters stop it in the north.
- However:
 1. Too many forests (Grimm Brothers), difficult to cultivate until iron ax.
 2. Hard soils, not enough rain in summer: fallow.
 3. Need animals for plowing and manure.
- Consequences: a diet rich in wheat and animal protein (meat and dairy products).
- Mediterranean sea.



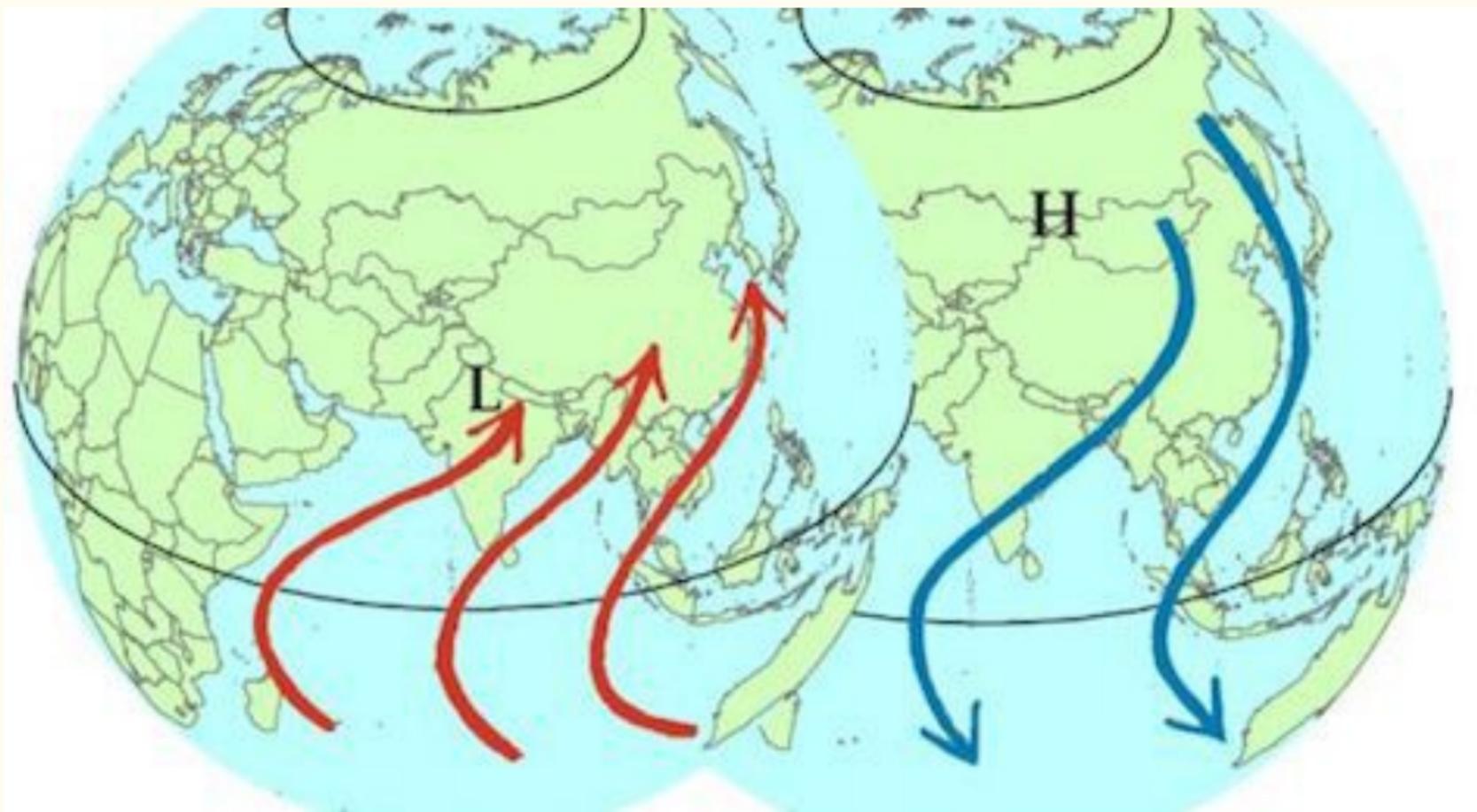
Mediterranean winds



Climate in Asia

- Interior ⇒ grasslands that supported Nomads.
- Exterior ⇒ monsoon:
 1. Much less need to fallow.
 2. Possible to cultivate rice in large parts of Asia.
- Consequences:
 1. Much higher density.
 2. Fewer cows, more pigs and chicken.
 3. Constant struggle between nomads and settled peoples.
[Lev Nikolaevich Gumilev](#), [Searches for an Imaginary Kingdom: The Legend of the Kingdom of Prester John](#).
 4. Seasonal patterns of trade. Example: Portuguese in Goa.









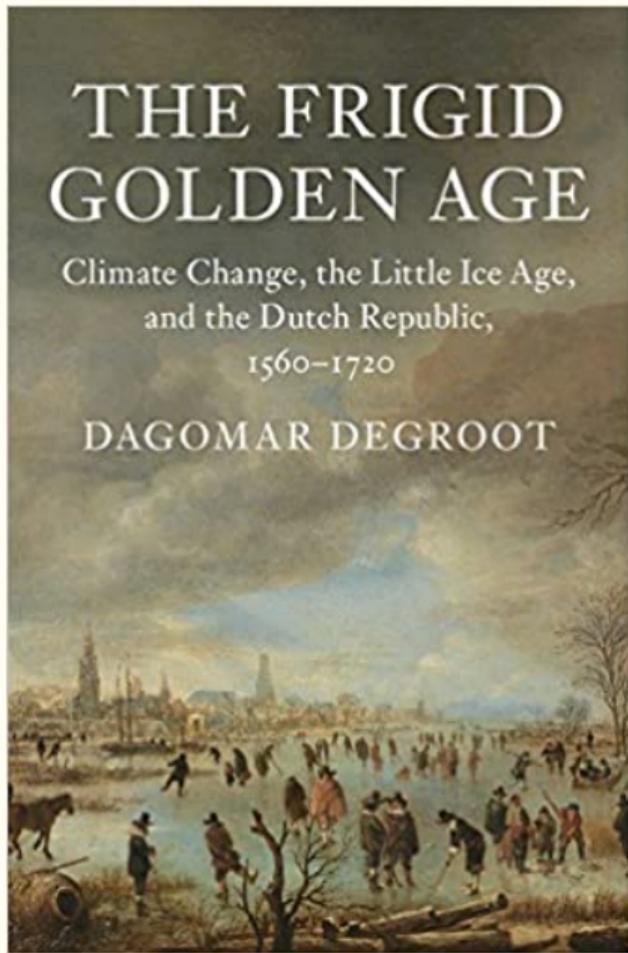
Coping with the climate

- One fundamental observation: it is much easier to warm up than to cool down.
- Warm up:
 1. Evidence of human ancestors' fire control between 1.8 to 1 million years ago.
 2. Clothing probably existed around 250,000 years ago, when H. Neanderthalensis had to survive winters in Europe.
 3. Dutch responses to the Little Ice Age.
- Cool down:
 1. Romans circulated aqueduct water through their walls to reduce heat.
 2. Use of water imitated by other times: Persians, Arabs, etc.
 3. Modern electrical air conditioning was invented in 1902 by Willis Haviland Carrier (his company, Carrier, is still a leading producer worldwide).
 - 3.1 First industrial application: 1906, Chronicle Cotton Mills of Belmont, NC.
 - 3.2 First house with A/C: 1914, Charles Gates' mansion in Minneapolis (\$1 million).

THE FRIGID GOLDEN AGE

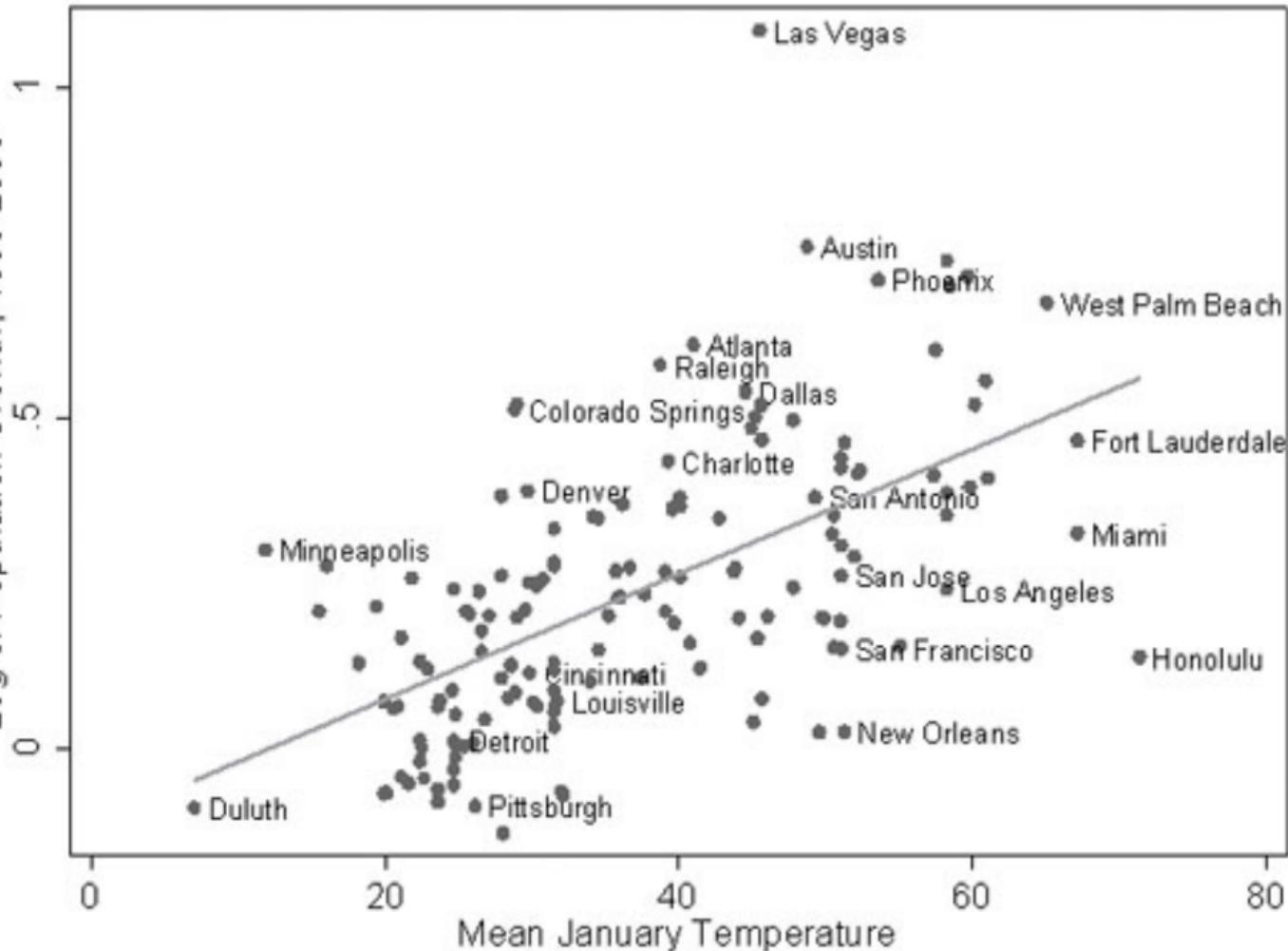
Climate Change, the Little Ice Age,
and the Dutch Republic,
1560–1720

DAGOMAR DEGROOT



- Much easier to populate and work in very cold areas than in very hot areas.
- Expansion of the U.S. in the 19th century: much faster in the North than in the South.
- Reversal in the second half of the 20th century: Buffalo versus Atlanta.
- Glaeser and Tobiot (2008).
- Political-economic consequences.

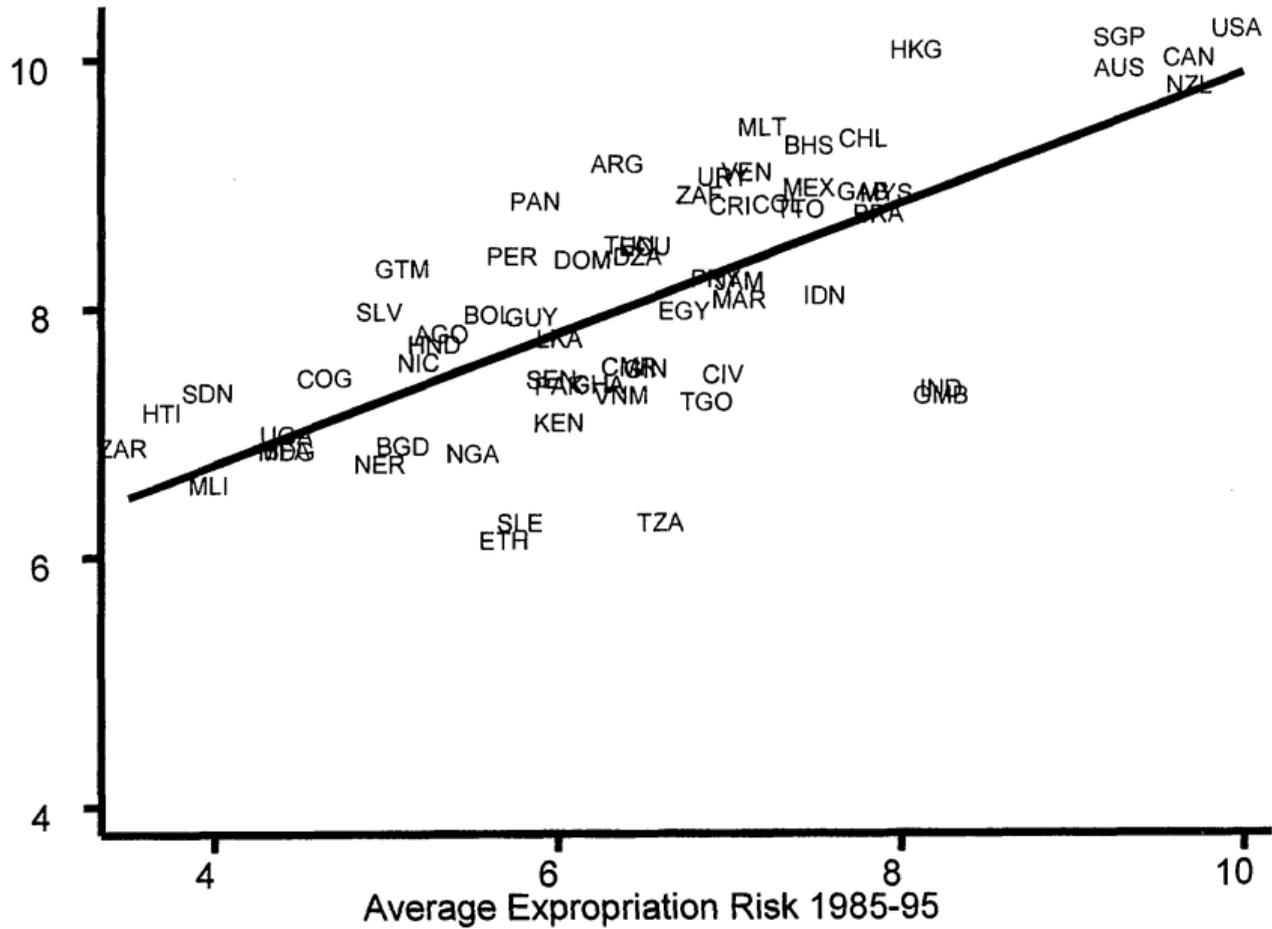
Log of Population Growth, 1980-2000



Climate determines political structure

- Former European colonies have performed very differently: U.S. versus Belize.
- No clear correlation with former colony.
- Differences in settlers' mortality induced different institutions.
- Differences in outcomes.
- **Karen Kupperman**: *Providence Island, 1630-1641: The Other Puritan Colony*, compares Providence Island and New England.
- **Daron Acemoglu, Simon Johnson, and James Robinson**: *The Colonial Origins of Comparative Development: An Empirical Investigation*.

Log GDP per capita, PPP, 1995



Average Expropriation Risk 1985-95

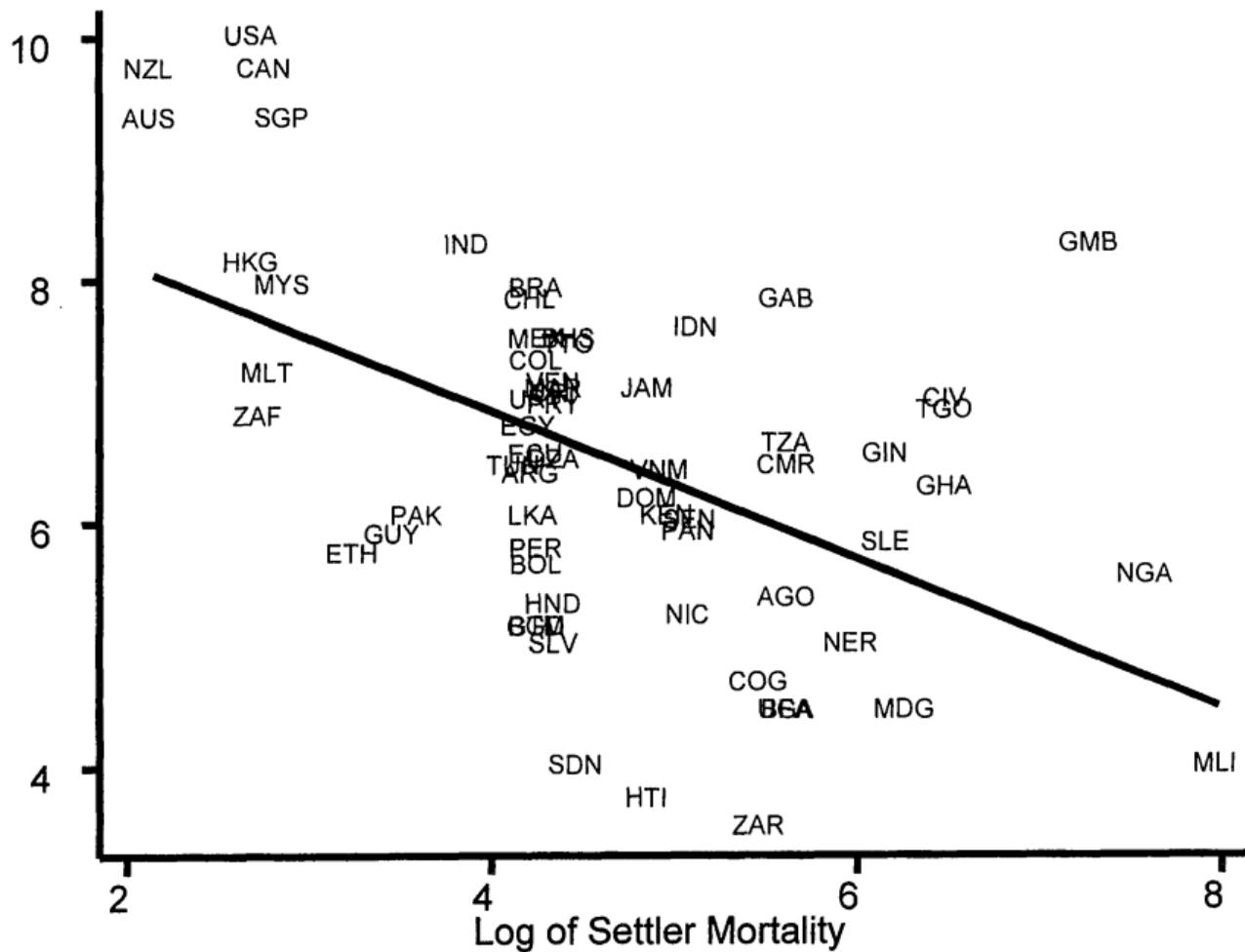


TABLE 4—IV REGRESSIONS OF LOG GDP PER CAPITA

	Base sample (1)	Base sample (2)	Base sample without Neo-Europes (3)	Base sample without Neo-Europes (4)	Base sample without Africa (5)	Base sample without Africa (6)	Base sample with continent dummies (7)	Base sample with continent dummies (8)	Base sample, dependent variable is log output per worker (9)
Panel A: Two-Stage Least Squares									
Average protection against expropriation risk 1985–1995	0.94 (0.16)	1.00 (0.22)	1.28 (0.36)	1.21 (0.35)	0.58 (0.10)	0.58 (0.12)	0.98 (0.30)	1.10 (0.46)	0.98 (0.17)
Latitude		-0.65 (1.34)		0.94 (1.46)		0.04 (0.84)		-1.20 (1.8)	
Asia dummy							-0.92 (0.40)	-1.10 (0.52)	
Africa dummy							-0.46 (0.36)	-0.44 (0.42)	
“Other” continent dummy							-0.94 (0.85)	-0.99 (1.0)	
Panel B: First Stage for Average Protection Against Expropriation Risk in 1985–1995									
Log European settler mortality	-0.61 (0.13)	-0.51 (0.14)	-0.39 (0.13)	-0.39 (0.14)	-1.20 (0.22)	-1.10 (0.24)	-0.43 (0.17)	-0.34 (0.18)	-0.63 (0.13)
Latitude		2.00 (1.34)		-0.11 (1.50)		0.99 (1.43)		2.00 (1.40)	
Asia dummy							0.33 (0.49)	0.47 (0.50)	
Africa dummy							-0.27 (0.41)	-0.26 (0.41)	
“Other” continent dummy							1.24 (0.84)	1.1 (0.84)	
R^2	0.27	0.30	0.13	0.13	0.47	0.47	0.30	0.33	0.28