The Out of Africa Hypothesis of Comparative Development

Oded Galor

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- How can policy mitigate the persistent effect of historical factors on comparative development?

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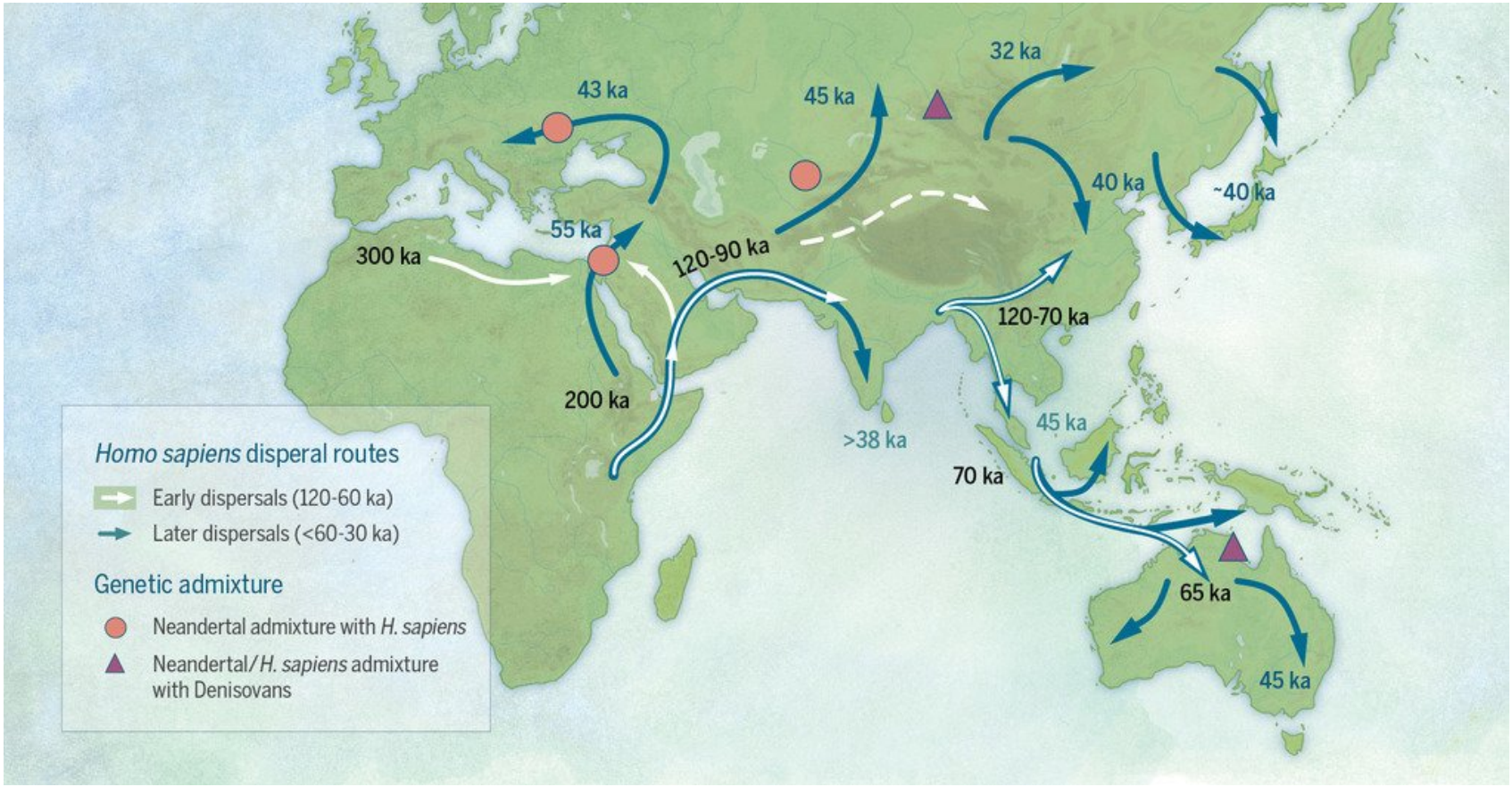
Out of Africa



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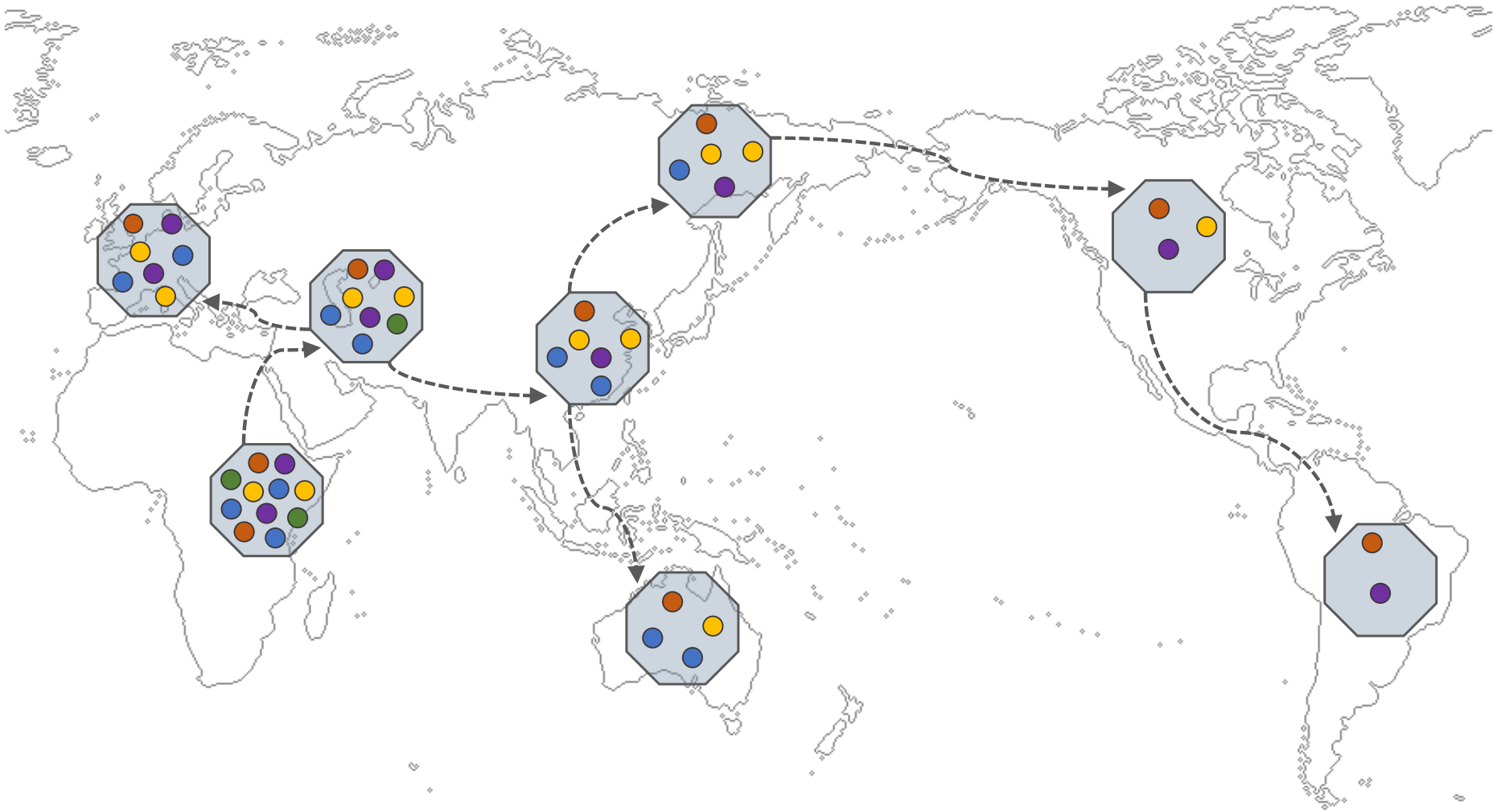
An Illustration of the Serial Founder Effect



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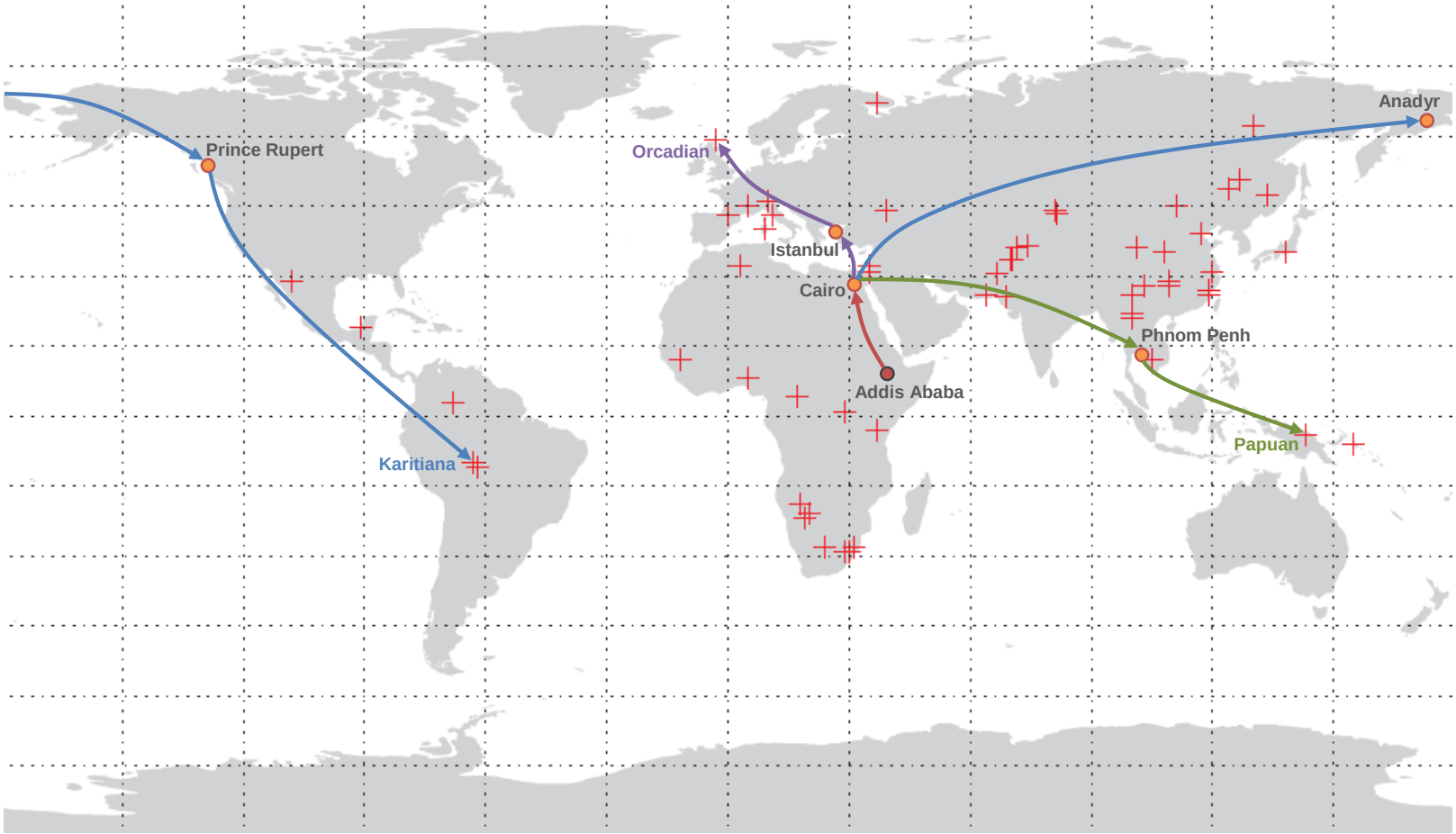
HGDP Ethnic Groups

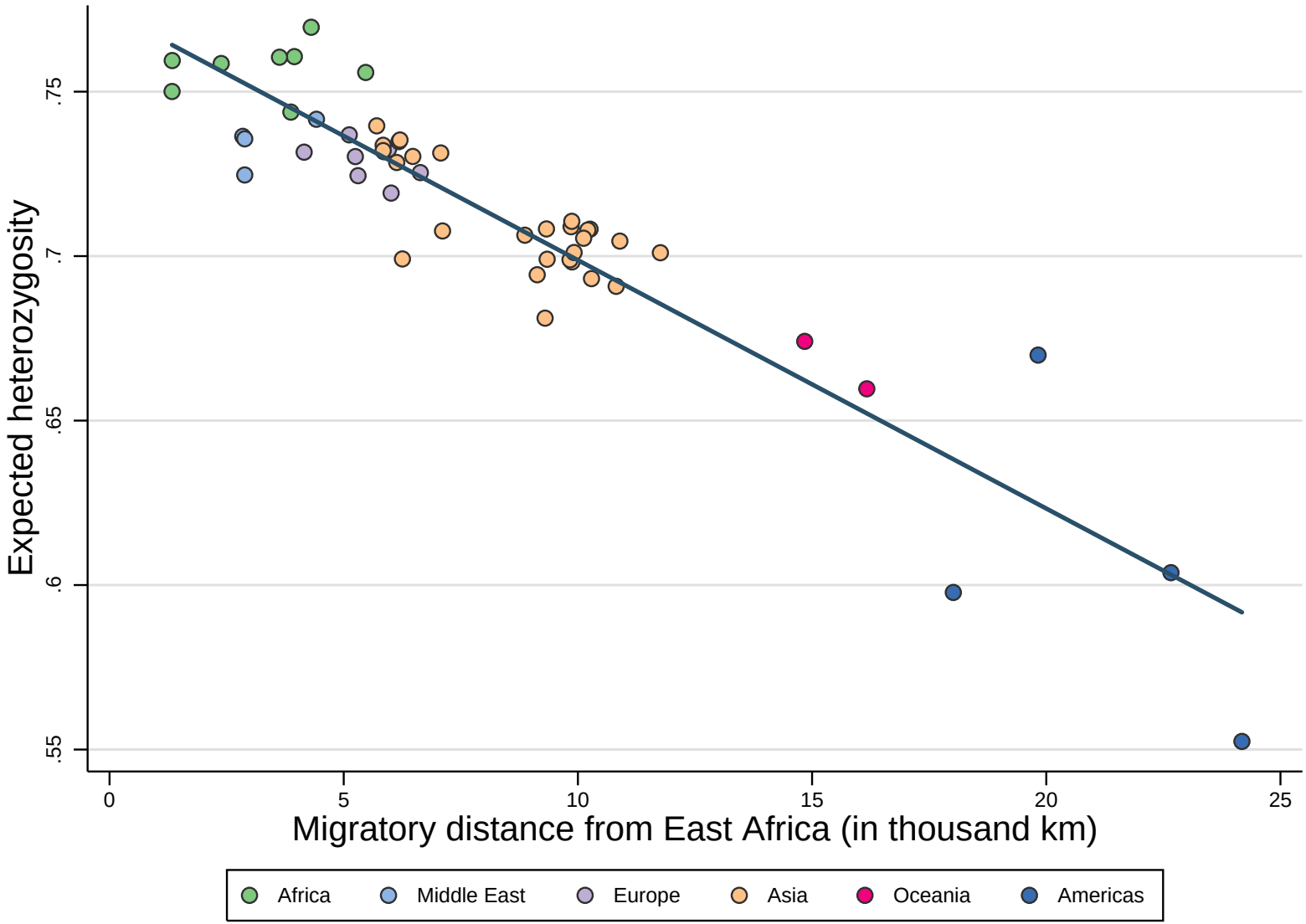
The Spatial Distribution of the HGDP Ethnic Groups



+ Marks the location of an HGDP ethnic group.

o Marks an approximate critical juncture in the journey of humankind from Africa.

Migratory Distance from Africa and Genetic Diversity



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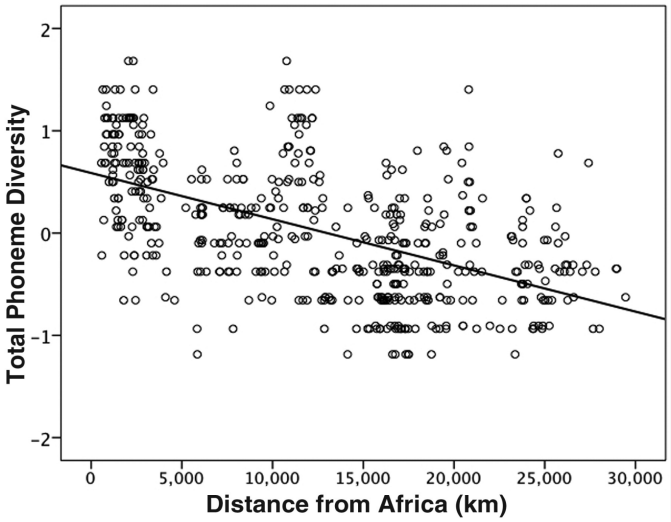
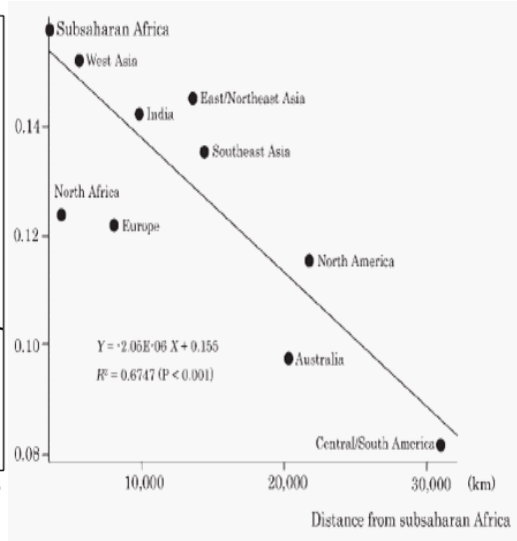
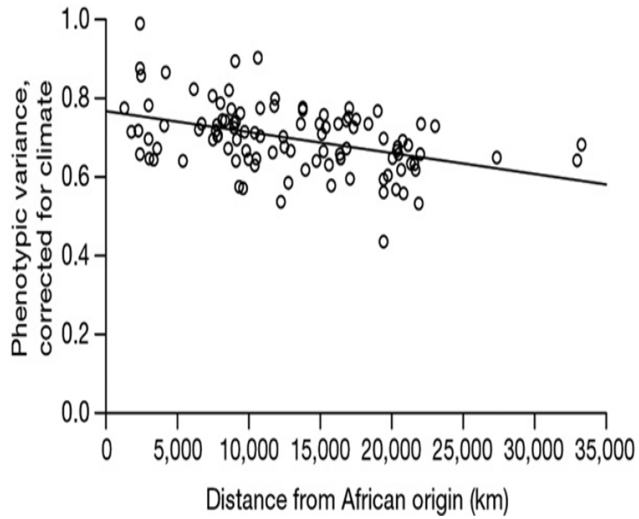
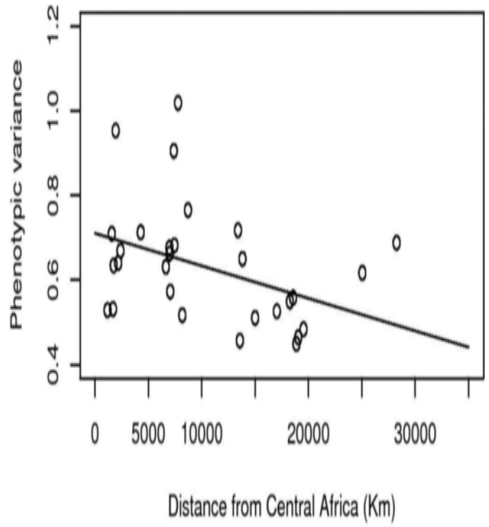
    - Permitting an exploration of the effect of GD on economic outcomes

Distance from Africa and Phenotypic Diversity









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    - $\Longrightarrow$ Diversity fosters innovations & expands the PPF

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Theoretical Foundations of the Hump-Shaped Effect of Diversity

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- For instance:

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- Properties of $y(\omega)$

$$y'(\omega) = [(1-\alpha\omega)A_{\omega}(z,\omega) - \alpha A(z,\omega)]f(x) > 0$$

$$y''(\omega) = [(1-\alpha\omega)A_{\omega\omega}(z,\omega) - 2\alpha A_{\omega}(z,\omega)]f(x) < 0$$

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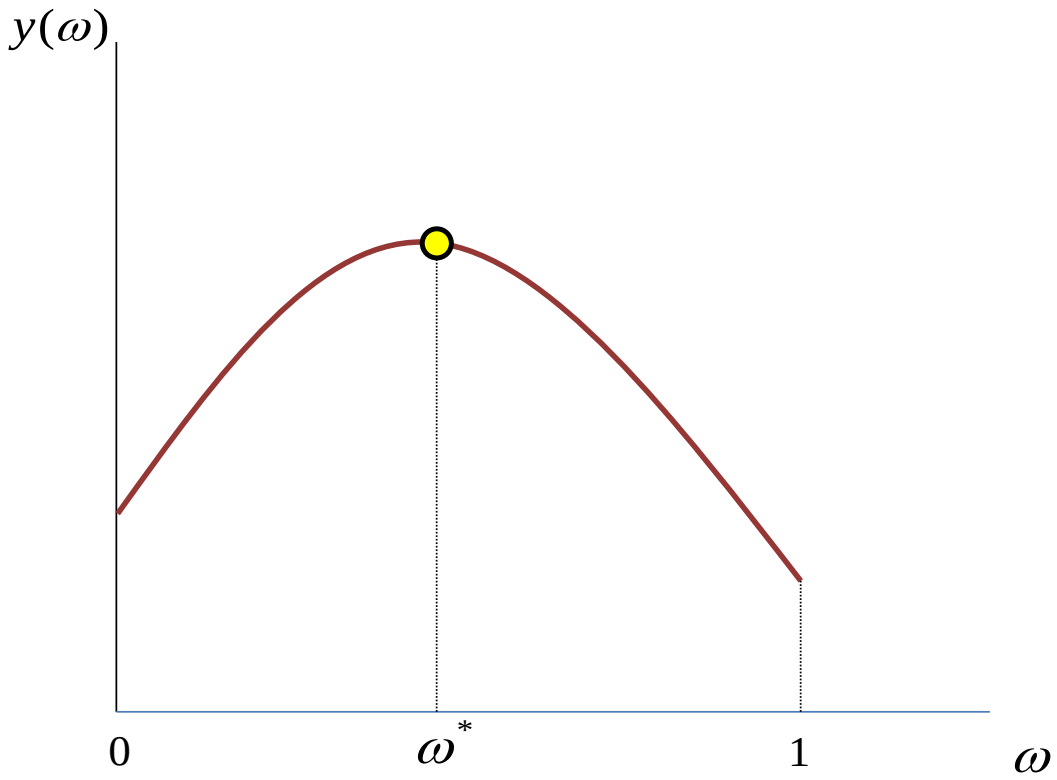
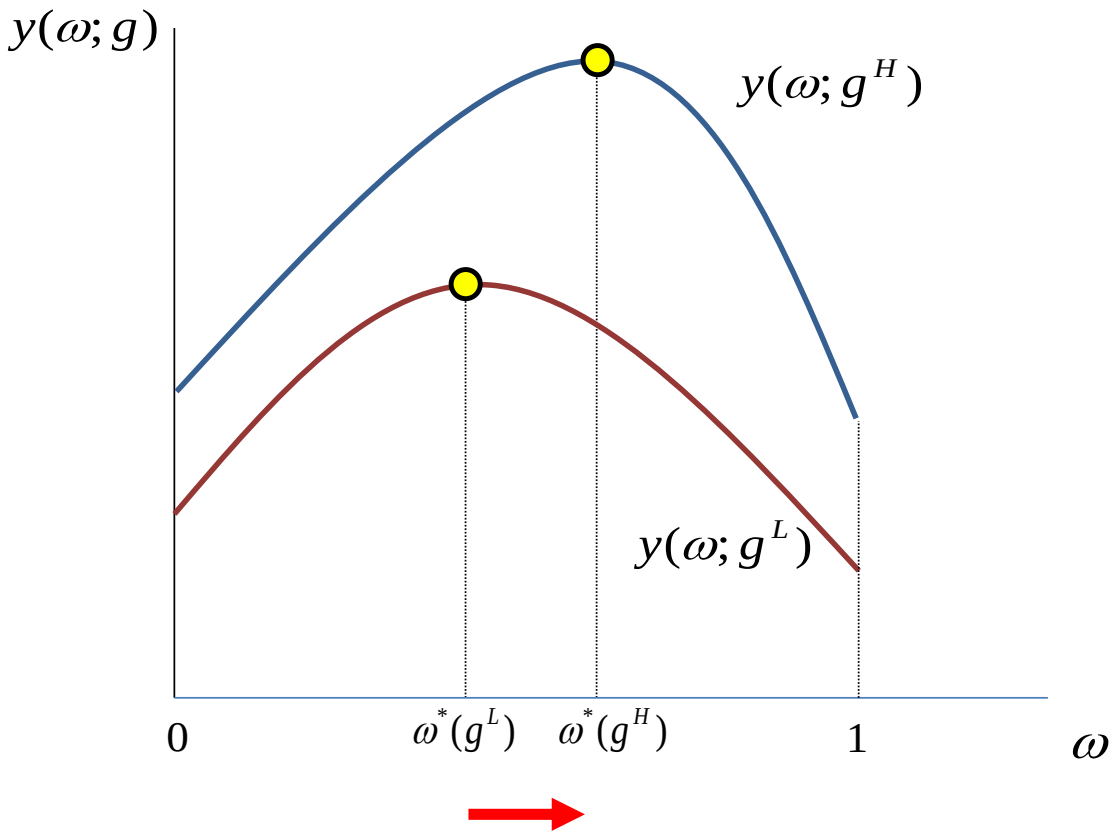
The Optimal Level of Population Diversity



The Rise in the Population Diversity – Faster Technological Progress



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  - Adjustment of genetic diversity for migration in post-1500 period

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- Disentangle effects of:
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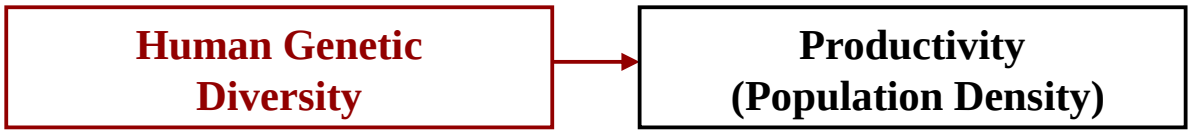
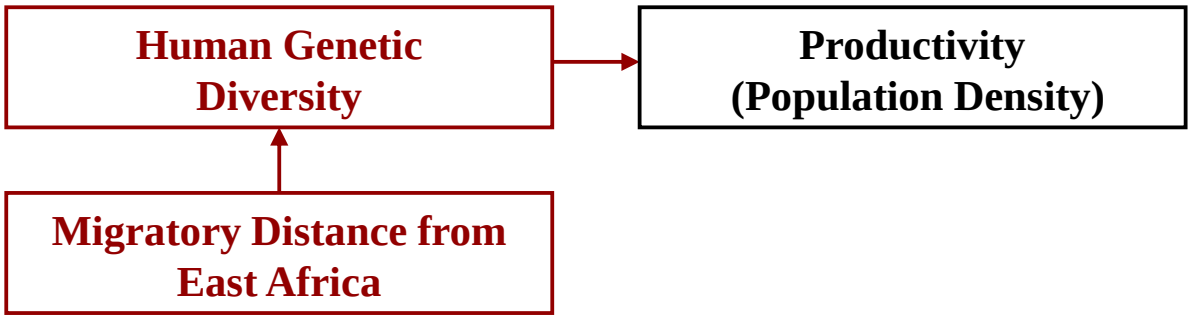
Determinants of Productivity: Channels

Productivity
(Population Density)

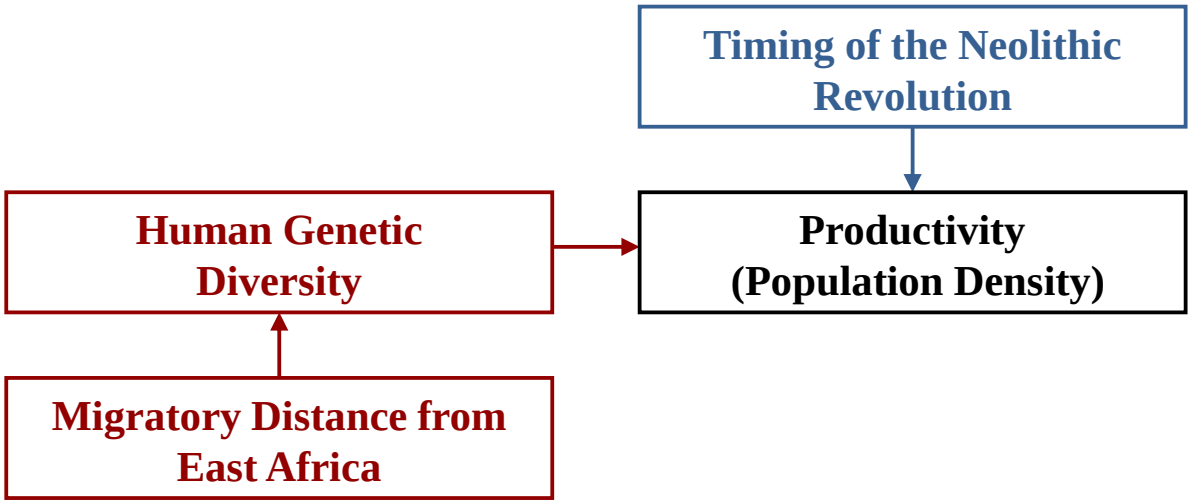
Determinants of Productivity: Channels



Determinants of Productivity: Channels



Determinants of Productivity: Channels



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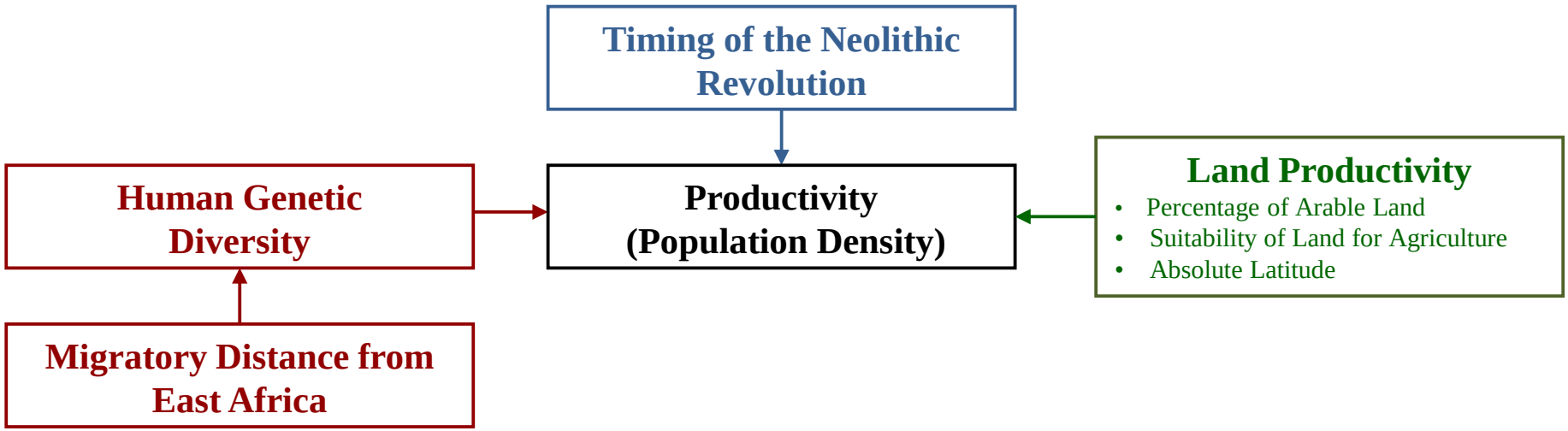

Empirical Model II

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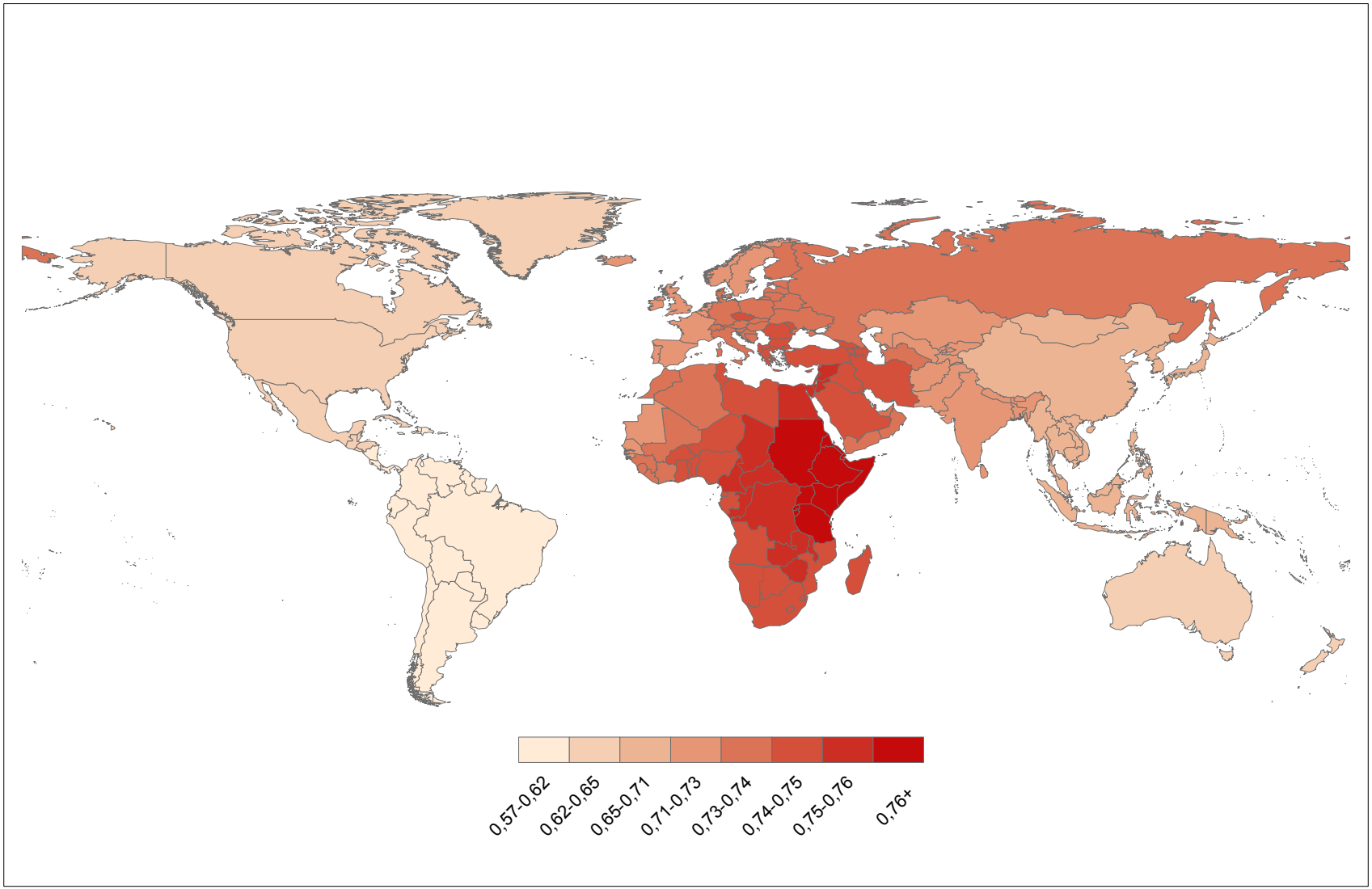
  - $\Delta_i \equiv$ vector of continental dummies for country i
  - $\varepsilon_{it} \equiv$ a country-year specific error term for country i

Predicted Population Diversity across Countries in the Pre-Colonial Era

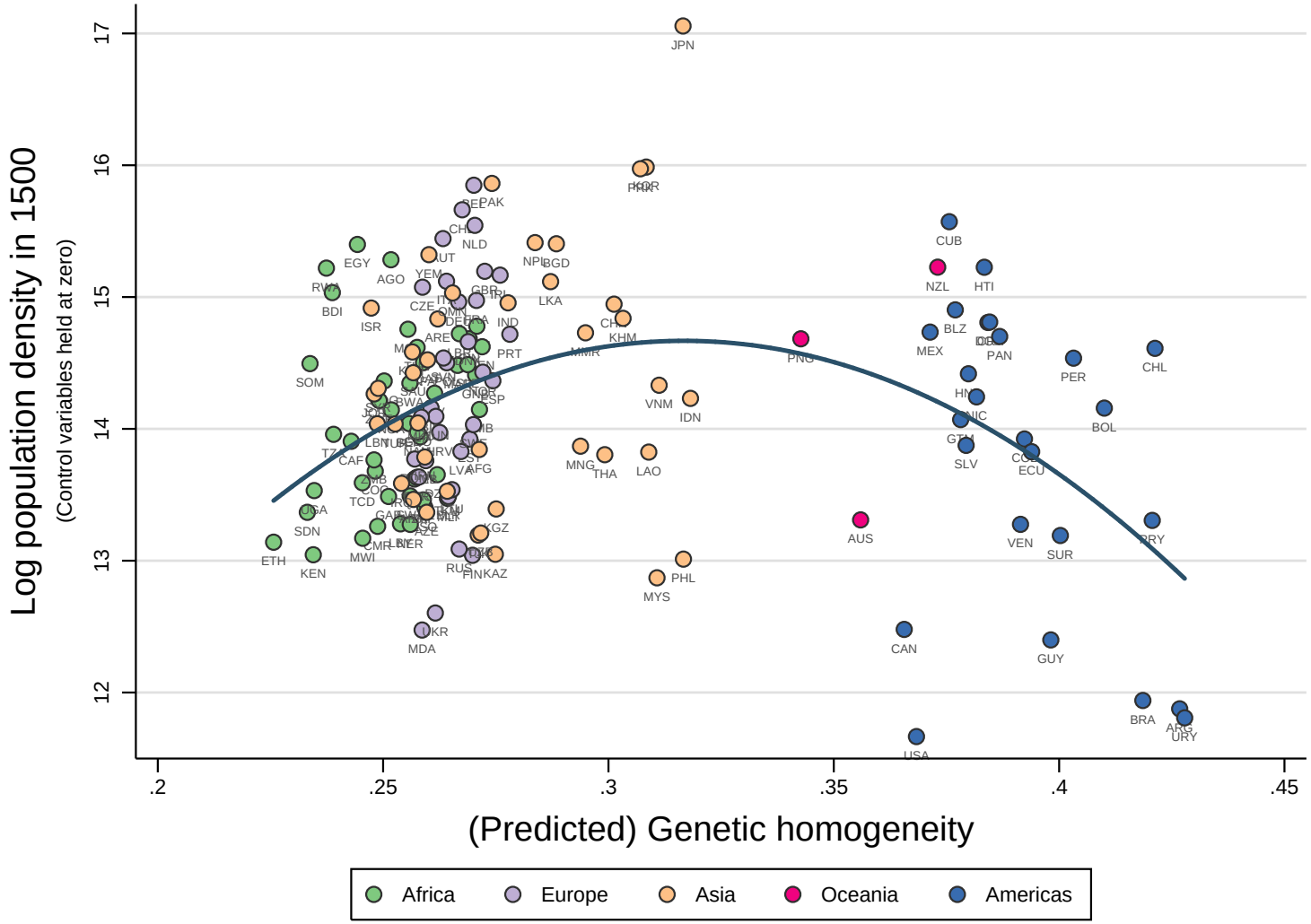


Predicted Diversity and Comparative Development in 1500

	(1)	(2)	(3)	(4)	(5)	(6)
	Dependent Variable is Log Population Density in 1500					
Predicted Diversity	251.0***		213.5***	203.0***	195.4***	199.7**
	(68.26)		(63.50)	(61.05)	(56.09)	(80.51)
Predicted Diversity Sqr.	-177.4***		-152.1***	-142.0***	-138.0***	-146.2***
	(50.22)		(46.65)	(44.83)	(40.84)	(56.26)
Log Years since NR		1.29***	1.05***		1.16***	1.24***
		(0.18)	(0.19)		(0.15)	(0.24)
Log % of Arable Land				0.52***	0.40***	0.39***
				(0.12)	(0.09)	(0.10)
Log Absolute Latitude				-0.17*	-0.34***	-0.42***
				(0.09)	(0.09)	(0.12)
Log Agri. Suitability				0.19	0.31***	0.26***
				(0.12)	(0.10)	(0.10)
Optimal Diversity	0.707		0.702	0.715	0.708	0.683
	(0.021)		(0.025)	(0.110)	(0.051)	(0.110)
Continent Dummies	No	No	No	No	No	Yes
Observations	145	145	145	145	145	145
R-squared	0.22	0.26	0.38	0.50	0.67	0.69

Bootstrap standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Predicted Diversity and Comparative Development in 1500



Interpretations – Diversity and Comparative Development in 1500

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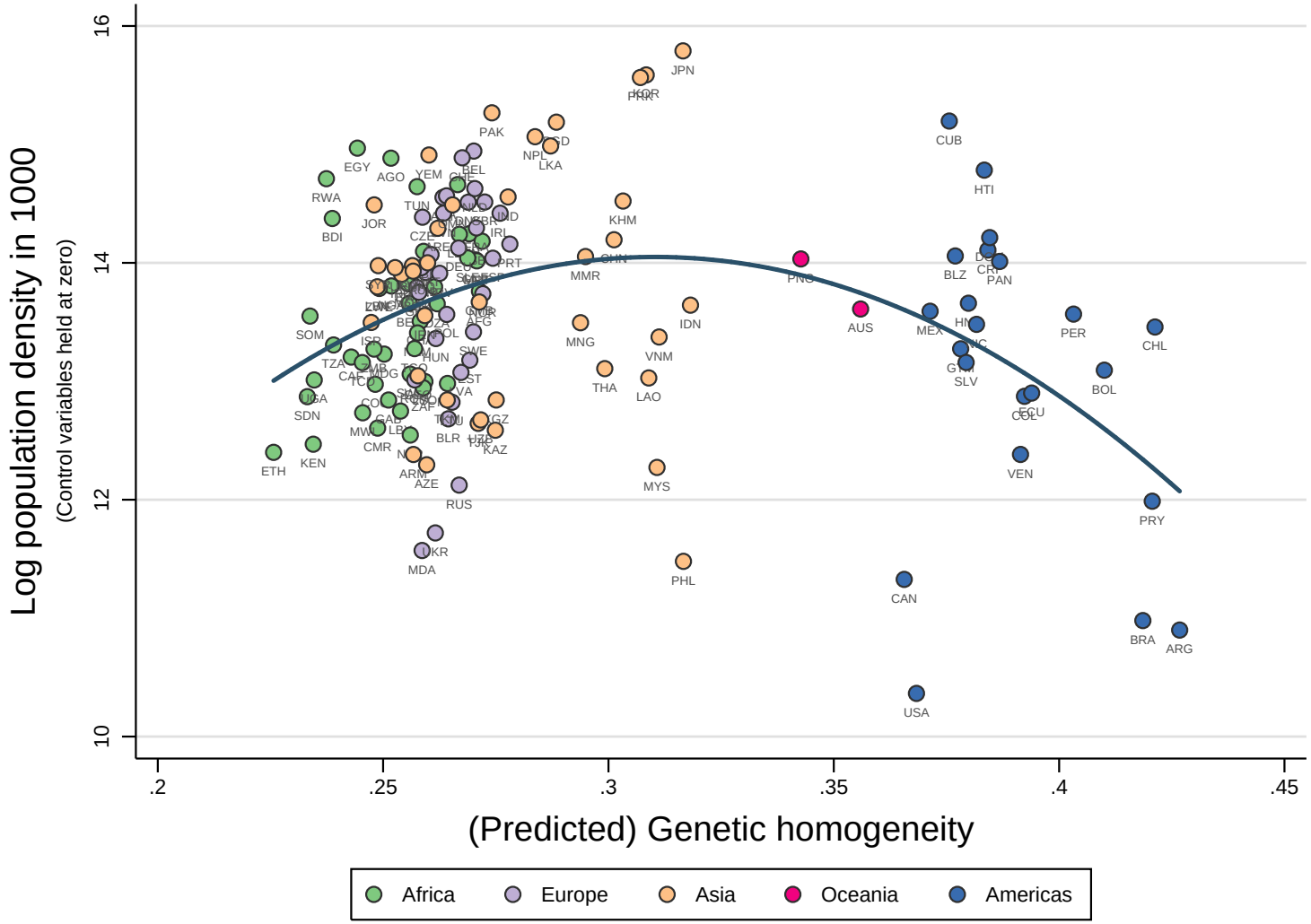
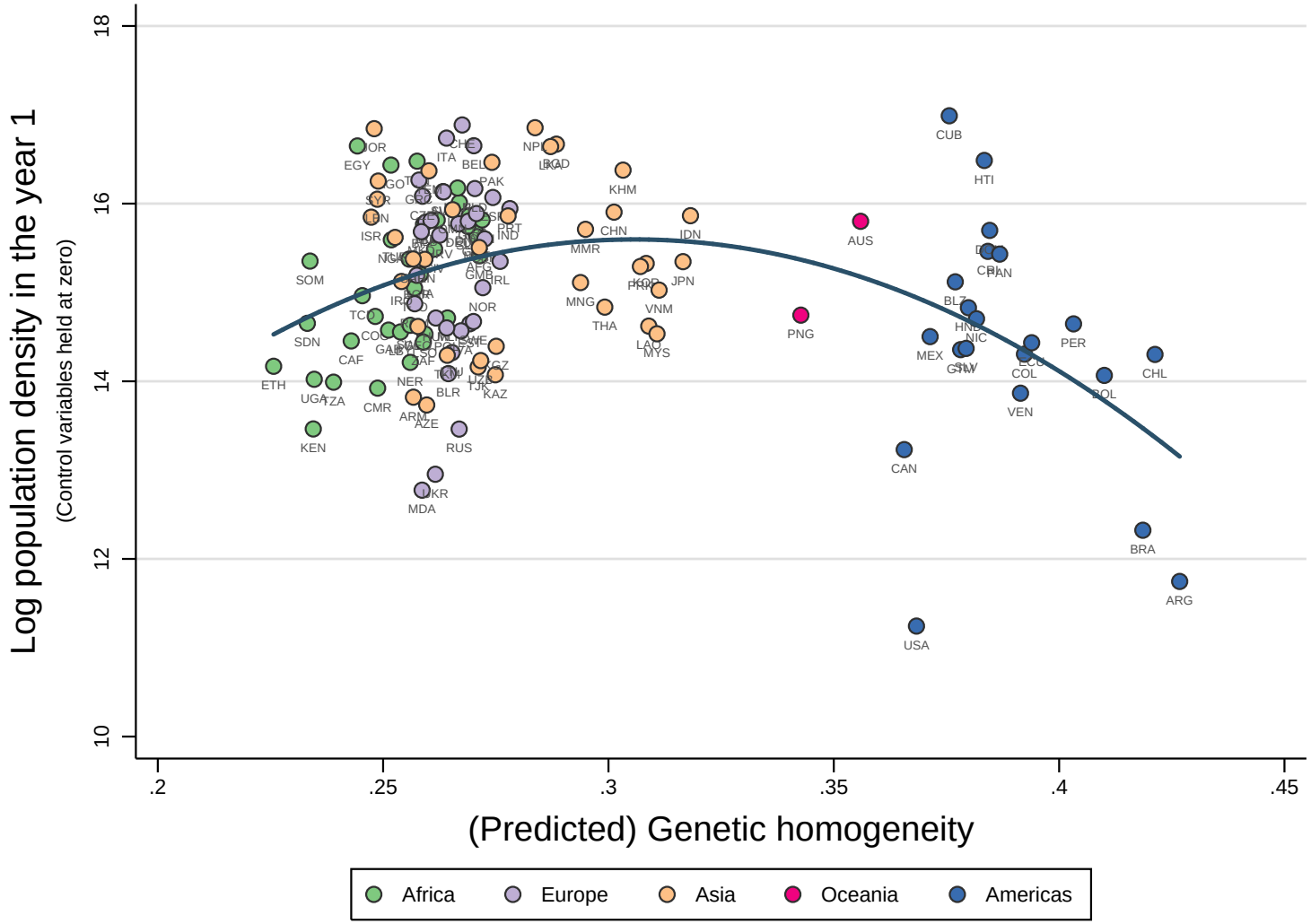
- Decreasing GD of the most heterogeneous population in East Africa by:
  - 0.09 $\Uparrow$ in GD $\Longrightarrow$ 3-fold $\Uparrow$ in population density in 1500

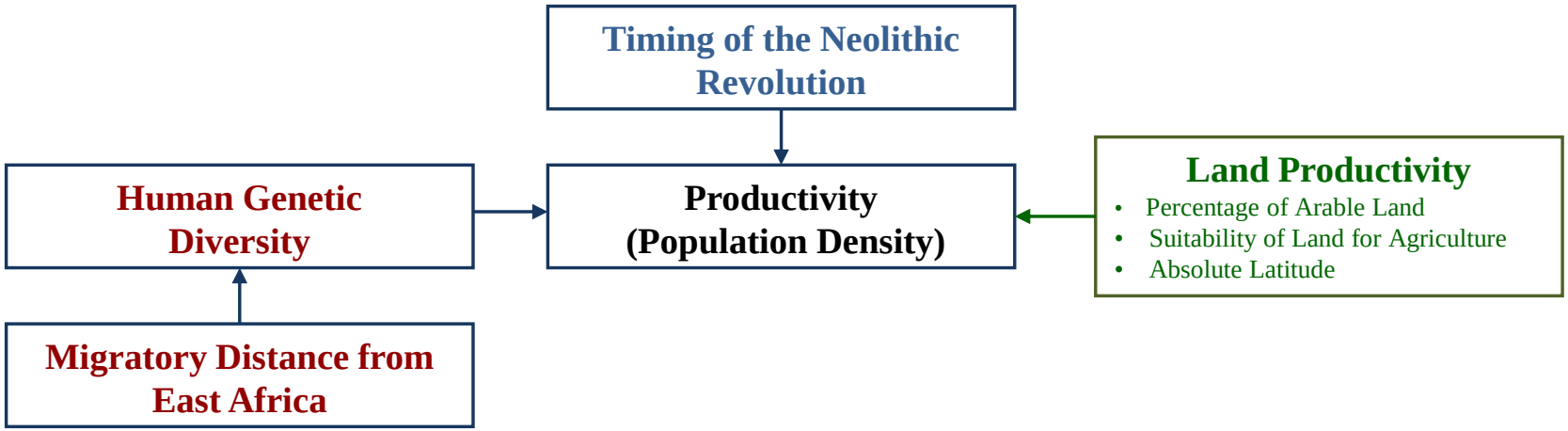
Predicted Diversity and Comparative Development in 1000 CE



Predicted Diversity and Comparative Development in 1 CE



The Role of Omitted Variables



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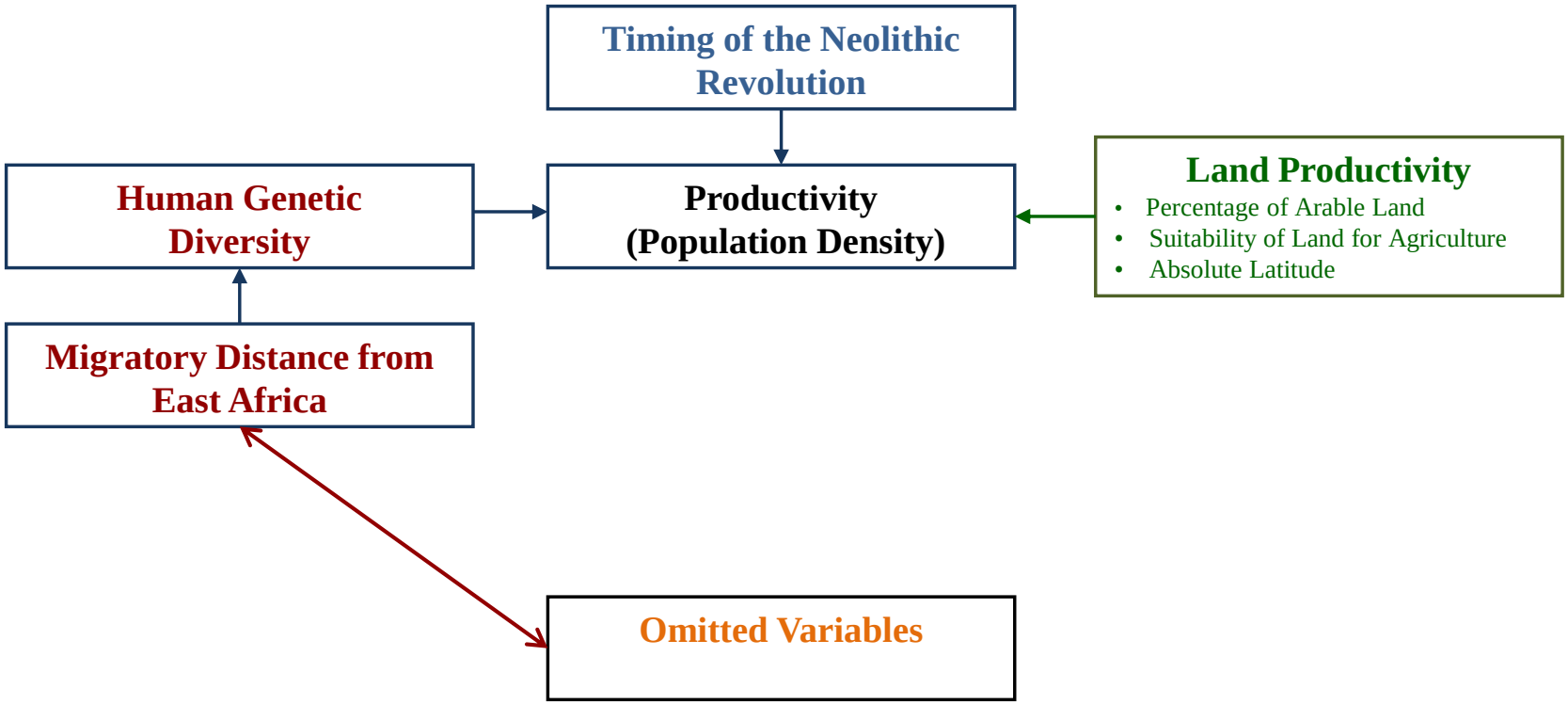

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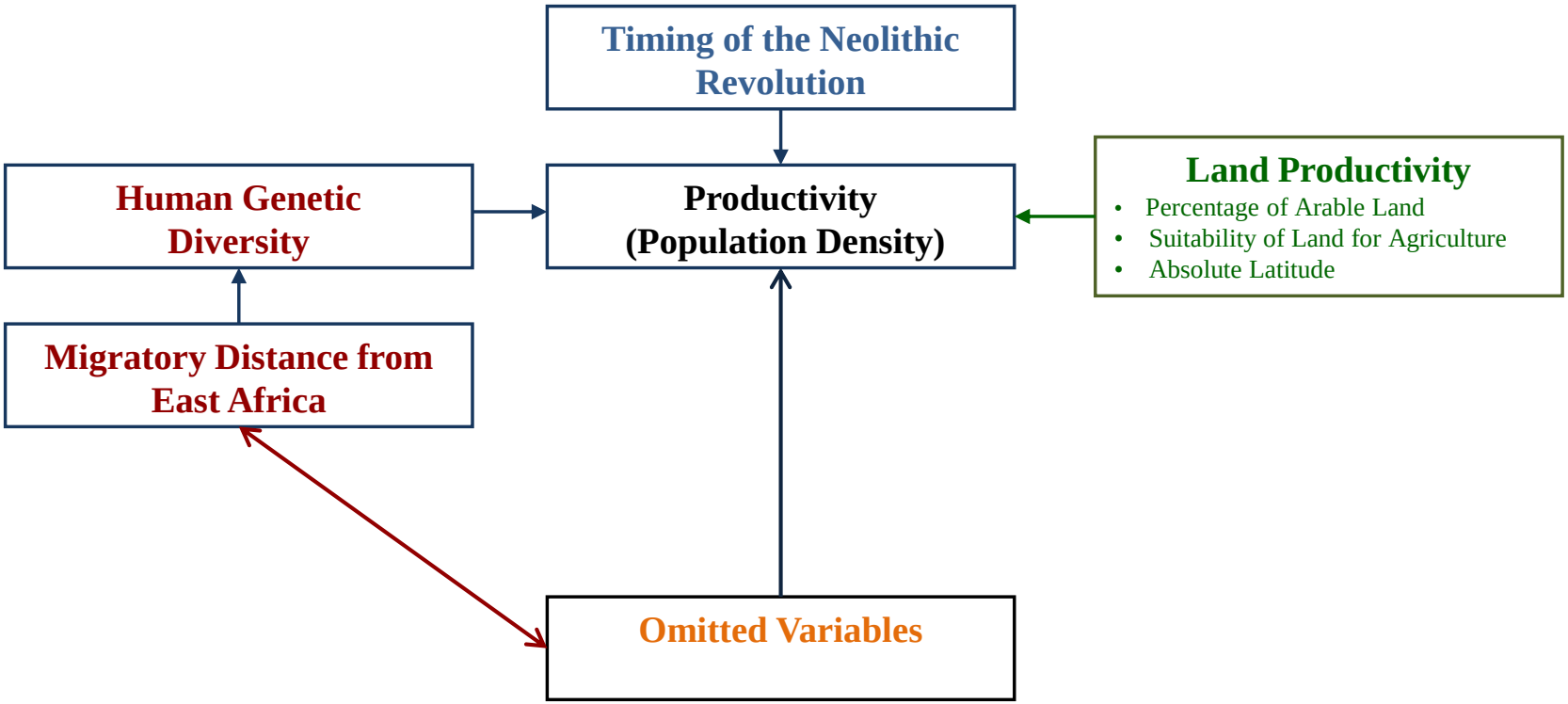
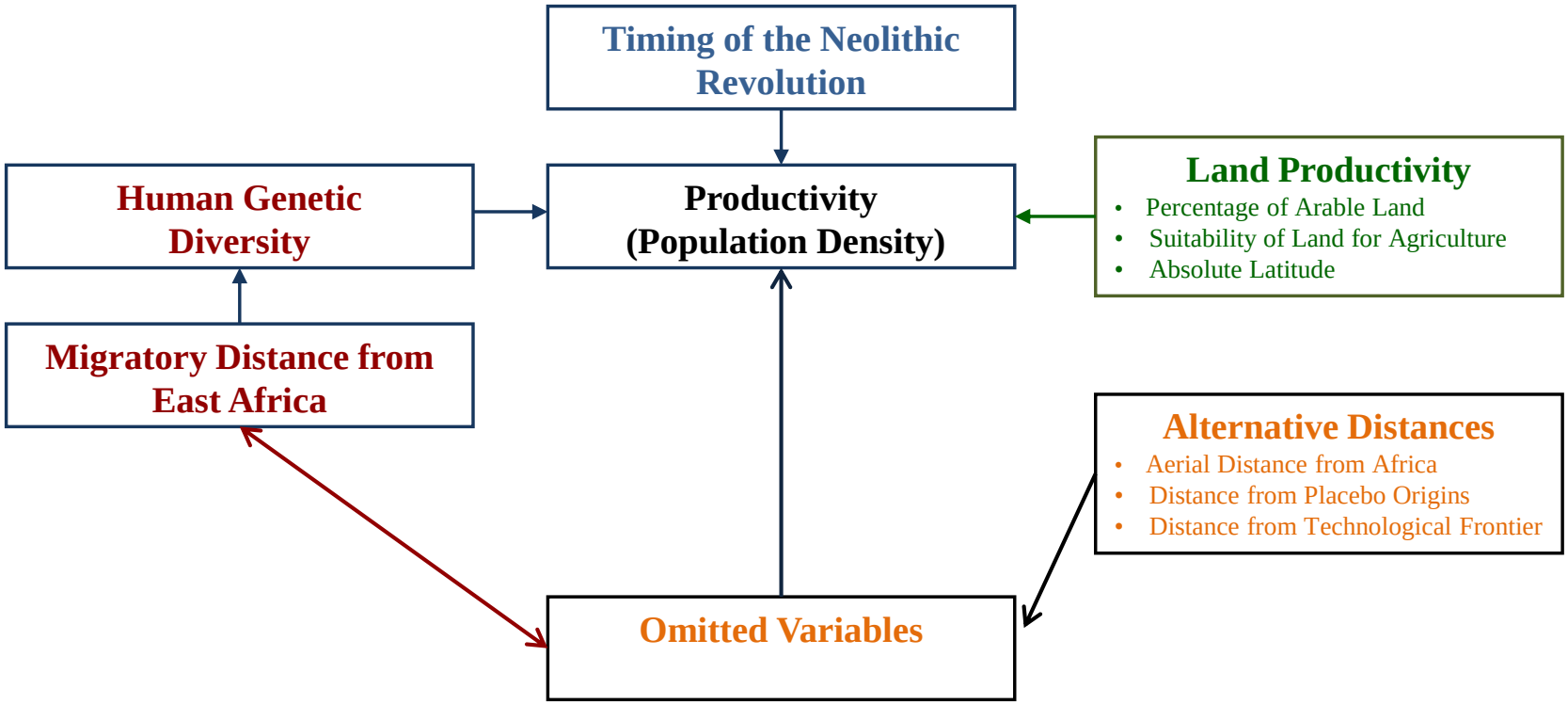


The Role of Omitted Variables – Alternative Distances



Robustness: Distances from Placebo Origins

	(1)	(2)	(3)	(4)	(5)
	Dependent Variable: Log Population Density in 1500				
Distance calculated from:	Addis Ababa	Addis Ababa	London	Tokyo	Mexico City
Migratory Distance	0.138**		-0.040	0.052	-0.063
	(0.061)		(0.063)	(0.145)	(0.099)
Migratory Distance Sqr.	-0.008***		-0.002	-0.006	0.005
	(0.002)		(0.002)	(0.007)	(0.004)
Aerial Distance		-0.008			
		(0.106)			
Aerial Distance Sqr.		-0.005			
		(0.006)			
Log Years since NR	1.160***	1.158***	1.003***	1.047***	1.619***
	(0.144)	(0.138)	(0.164)	(0.225)	(0.277)
Log % of Arable Land	0.401***	0.488***	0.357***	0.532***	0.493***
	(0.091)	(0.102)	(0.092)	(0.089)	(0.094)
Log Absolute Latitude	-0.342***	-0.263***	-0.358***	-0.334***	-0.239***
	(0.091)	(0.097)	(0.112)	(0.099)	(0.083)
Log Agri. Suitability	0.305***	0.254**	0.344***	0.178**	0.261***
	(0.091)	(0.102)	(0.092)	(0.080)	(0.092)
Observations	145	145	145	145	145
R-squared	0.67	0.59	0.67	0.59	0.63

Robust standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Regional Technological Frontiers

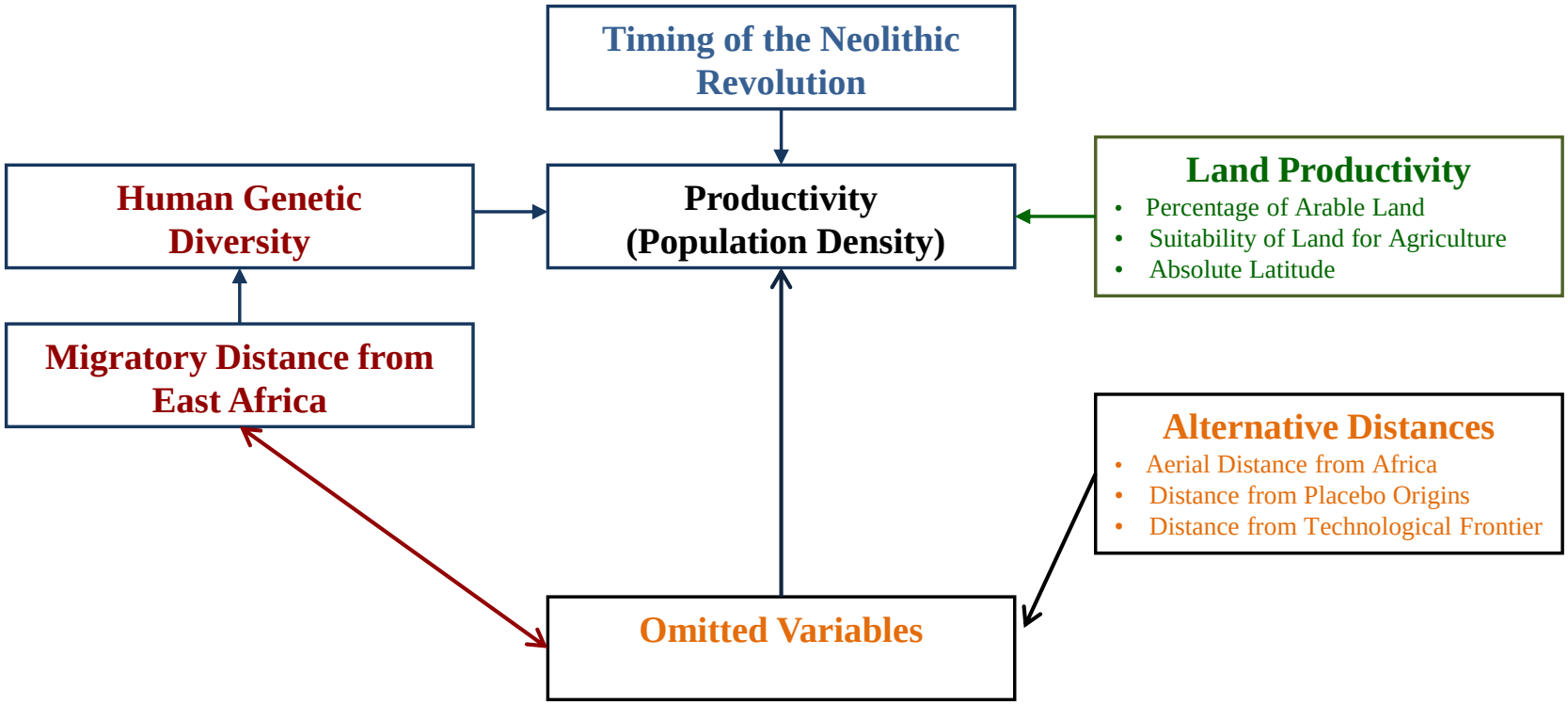
City & Modern Location	Continent	Sociopolitical Entity	Period
Cairo, Egypt	Africa	Mamluk Sultanate	1500 CE
Fez, Morocco	Africa	Marinid Kingdom of Fez	1500 CE
London, UK	Europe	Tudor Dynasty	1500 CE
Paris, France	Europe	Valois-Orléans Dynasty	1500 CE
Constantinople, Turkey	Asia	Ottoman Empire	1500 CE
Peking, China	Asia	Ming Dynasty	1500 CE
Tenochtitlan, Mexico	Americas	Aztec Civilization	1500 CE
Cuzco, Peru	Americas	Inca Civilization	1500 CE
Cairo, Egypt	Africa	Fatimid Caliphate	1000 CE
Kairwan, Tunisia	Africa	Berber Zirite Dynasty	1000 CE
Constantinople, Turkey	Europe	Byzantine Empire	1000 CE
Cordoba, Spain	Europe	Caliphate of Cordoba	1000 CE
Baghdad, Iraq	Asia	Abbasid Caliphate	1000 CE
Kaifeng, China	Asia	Song Dynasty	1000 CE
Tollan, Mexico	Americas	Classic Maya Civilization	1000 CE
Huari, Peru	Americas	Huari Culture	1000 CE
Alexandria, Egypt	Africa	Roman Empire	1 CE
Carthage, Tunisia	Africa	Roman Empire	1 CE
Athens, Greece	Europe	Roman Empire	1 CE
Rome, Italy	Europe	Roman Empire	1 CE
Luoyang, China	Asia	Han Dynasty	1 CE
Seleucia, Iraq	Asia	Seleucid Dynasty	1 CE
Teotihuacán, Mexico	Americas	Pre-classic Maya Civilization	1 CE
Cahuachi, Peru	Americas	Nazca Culture	1 CE

Robustness to Distance from Regional Technological Frontiers

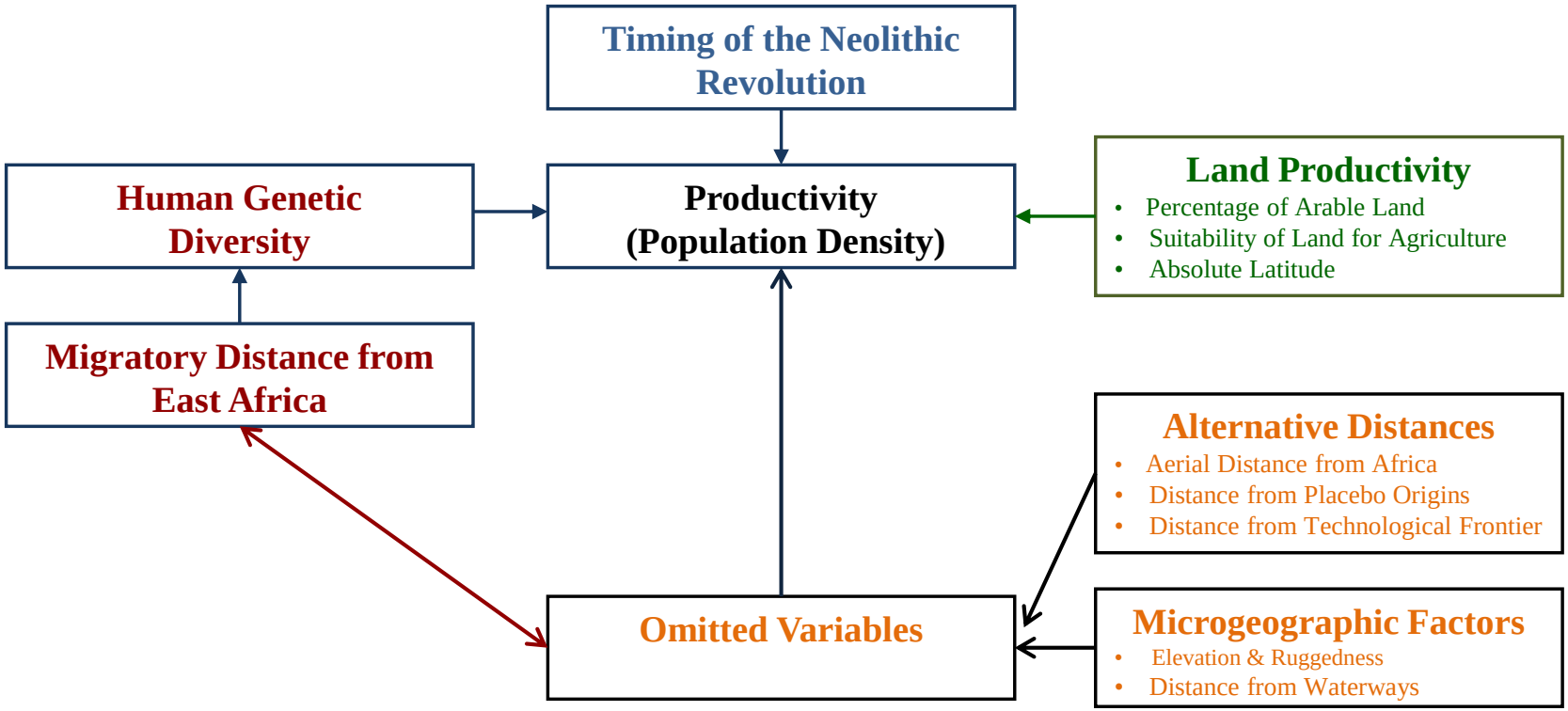
	(1)	(2)	(3)
	Log Population Density 1500 CE	Log Population Density 1000 CE	Log Population Density 1 CE
Predicted Diversity	156.7**	183.8**	215.86**
	(77.98)	(91.20)	(106.5)
Predicted Diversity Sqr.	-114.6**	-134.6**	-157.7**
	(54.67)	(63.65)	(74.82)
Log Years since NR	Yes	Yes	Yes
Land Prod. Controls	Yes	Yes	Yes
Log Distance to Frontier in 1500 CE	-0.19***		
	(0.07)		
Log Distance to Frontier in 1000 CE		-0.23**	
		(0.11)	
Log Distance to Frontier in 1 CE			-0.30***
			(0.10)
Optimal Diversity	0.684	0.683	0.684
	(0.169)	(0.218)	(0.266)
Continent Dummies	Yes	Yes	Yes
Observations	145	140	126
R-squared	0.72	0.64	0.66

Bootstrap standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

The Role of Omitted Variables



The Role of Omitted Variables – Microgeographic Factors

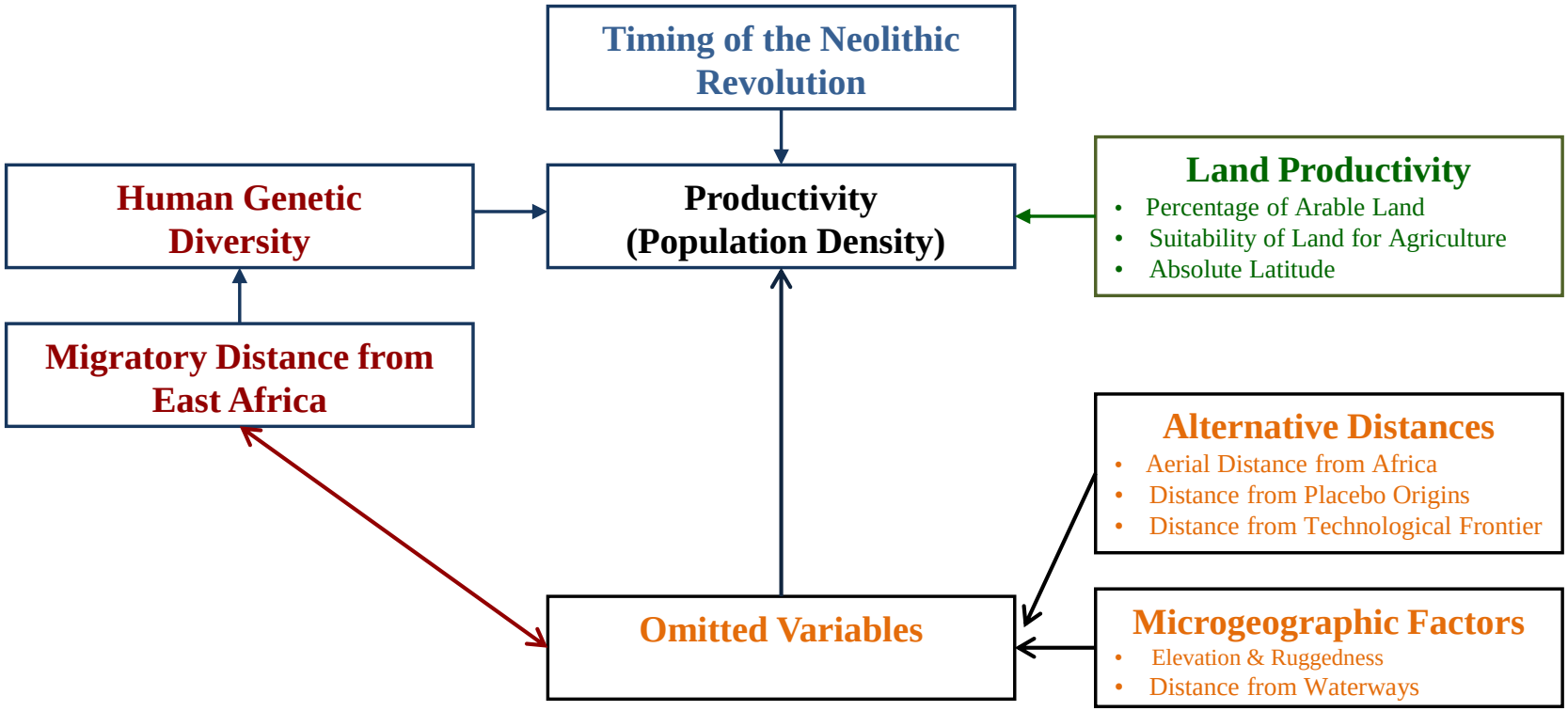


Robustness to Microgeographic Factors

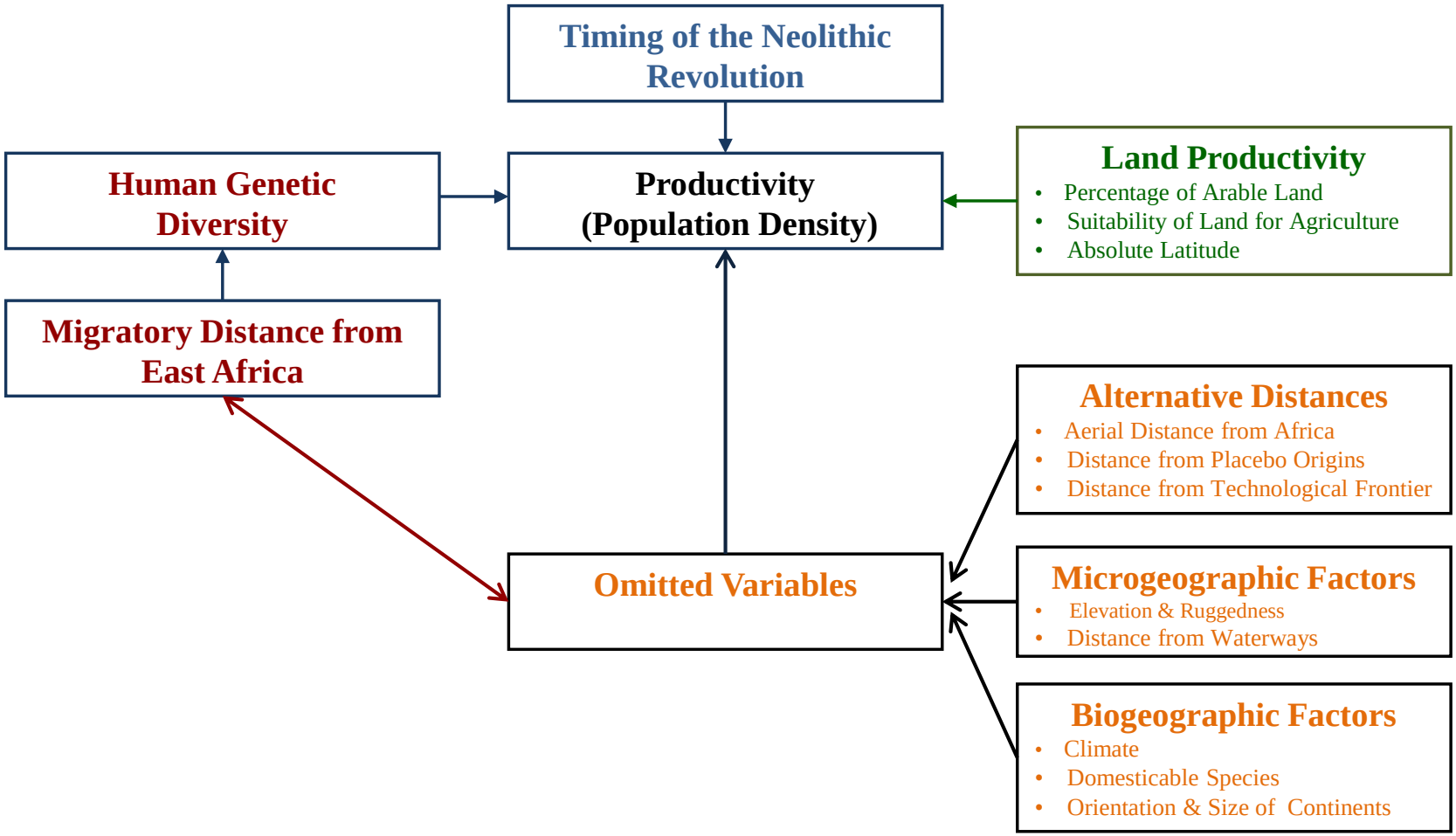
	(1)	(2)	(3)	(4)	(5)
	Dependent Variable: Log Population Density in 1500				
Predicted Diversity	159.9***	153.2***	157.1**	150.0***	157.1**
	(56.00)	(53.39)	(78.82)	(49.36)	(68.61)
Predicted Diversity Sqr.	-110.4***	-105.3***	-112.8**	-102.8***	-115.0**
	(41.08)	(39.11)	(55.48)	(36.23)	(48.26)
Log Years since NR	Yes	Yes	Yes	Yes	Yes
Land Prod. Controls	Yes	Yes	Yes	Yes	Yes
Mean Elevation	-0.48**			0.51*	0.50*
	(0.23)			(0.27)	(0.27)
Roughness	5.15***			3.09*	4.08**
	(1.77)			(1.74)	(1.84)
Roughness Sqr.	-7.05**			-7.05**	-7.63***
	(3.11)			(2.96)	(2.91)
Distance to Nearest Waterway		-0.49***	-0.44**	-0.47**	-0.39**
		(0.18)	(0.18)	(0.18)	(0.18)
% Land within 100 km of Waterway		0.70**	0.73**	1.11***	1.18***
		(0.28)	(0.31)	(0.29)	(0.29)
Optimal Diversity	0.724	0.727	0.696	0.730	0.683
	(0.201)	(0.190)	(0.187)	(0.229)	(0.095)
Continent Dummies	No	No	Yes	No	Yes
Observations	145	145	145	145	145
R-squared	0.69	0.74	0.75	0.76	0.78

Bootstrap standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

The Role of Omitted Variables



The Role of Omitted Variables – Biogeography



Robustness to Biogeography

	(1)	(2)	(3)	(4)	(5)
	Dependent Variable is Log Population Density in 1500				
Predicted Diversity	216.9***	252.1***	174.4***	212.1***	274.9***
	(62.06)	(70.81)	(62.75)	(72.13)	(72.12)
Predicted Diversity Sqr.	-154.8***	-180.7***	-125.1***	-151.6***	-197.1***
	(45.19)	(51.89)	(45.72)	(52.79)	(52.40)
Log Years since NR	1.30***				1.16***
	(0.16)				(0.31)
Land Prod. Controls	Yes	Yes	Yes	Yes	Yes
Climate		0.62***		0.42	0.37*
		(0.14)		(0.27)	(0.22)
Orientation of Axis		0.28		0.04	-0.17
		(0.33)		(0.30)	(0.27)
Size of Continent		-0.01		-0.01	-0.01
		(0.02)		(0.01)	(0.01)
Domesticable Plants			0.02	-0.01	0.00
			(0.02)	(0.02)	(0.02)
Domesticable Animals			0.15**	0.12	-0.01
			(0.06)	(0.07)	(0.07)
Optimal Diversity	0.701	0.698	0.697	0.700	0.697
	(0.123)	(0.016)	(0.159)	(0.045)	(0.041)
Observations	96	96	96	96	96
R-squared	0.74	0.70	0.70	0.72	0.78

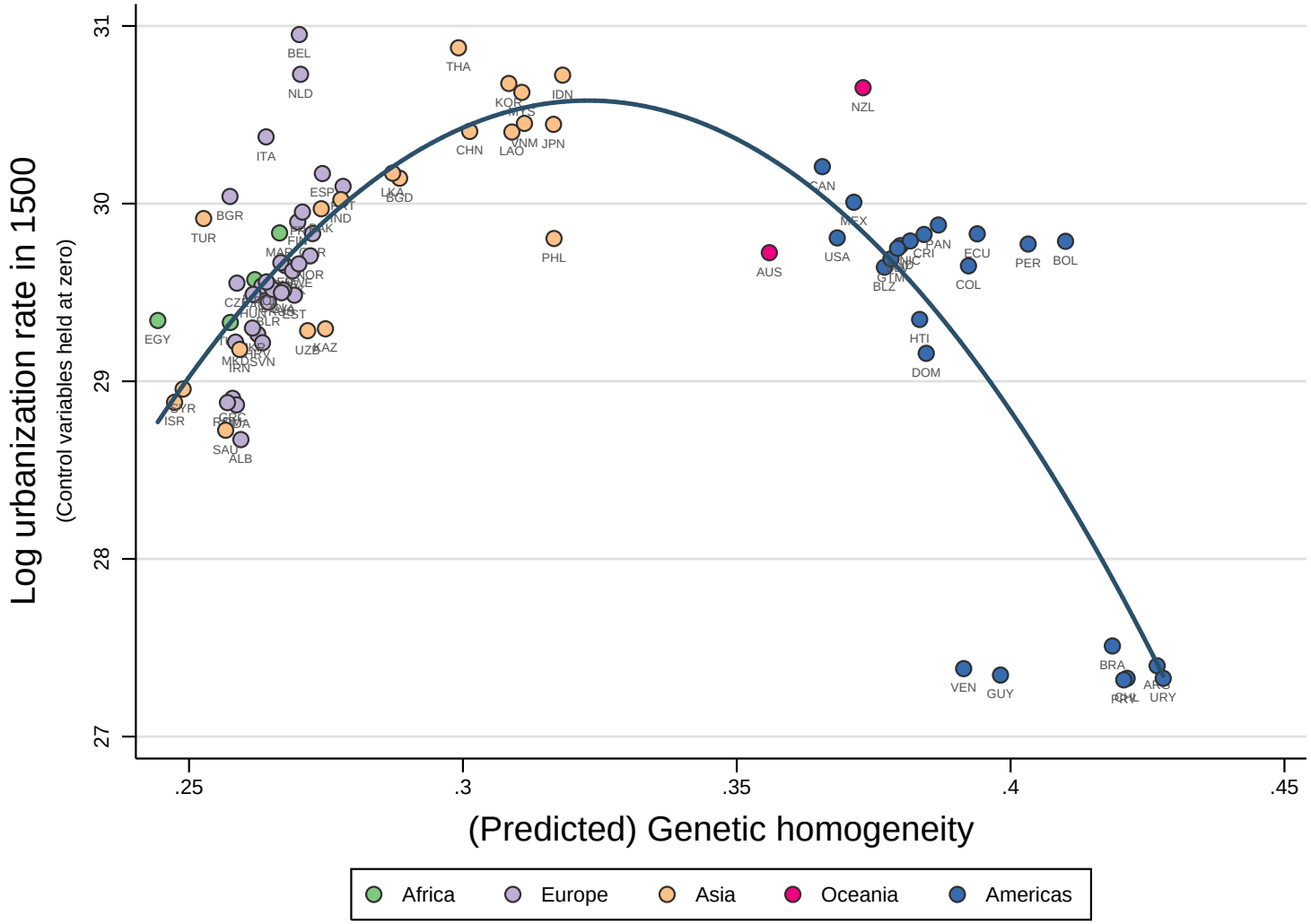
Bootstrap standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Robustness to the Use of Urbanization Rates in 1500

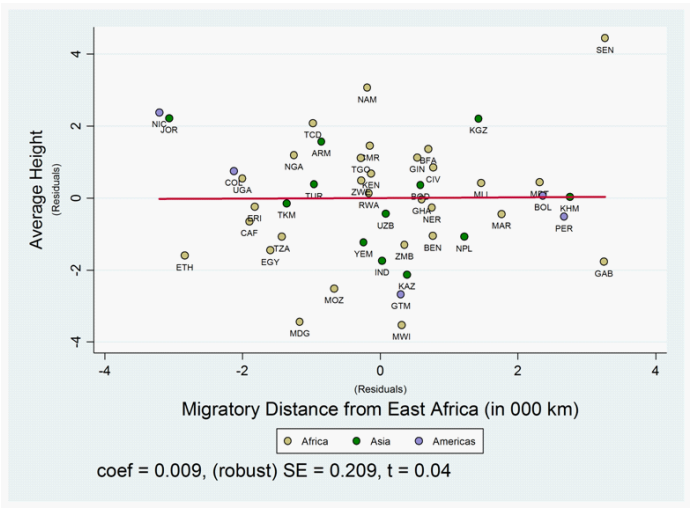
	(1)	(2)	(3)	(4)	(5)
	Dependent Variable: Log Urbanization Rate in 1500				
Predicted Diversity	120.6**	165.2***	93.46*	148.8***	234.4***
	(51.62)	(50.08)	(48.77)	(48.37)	(67.32)
Predicted Diversity Square	-84.76**	-120.1***	-62.41*	-106.2***	-166.8***
	(38.42)	(37.21)	(36.65)	(36.51)	(48.78)
Log Years since NR		0.457**		0.402**	0.752***
		(0.224)		(0.202)	(0.257)
Log % of Arable Land			-0.097**	-0.116***	-0.119**
			(0.043)	(0.044)	(0.052)
Log Absolute Latitude			-0.334**	-0.236	-0.151
			(0.151)	(0.155)	(0.170)
Log Agri. Suitability			0.002	-0.036	0.031
			(0.057)	(0.058)	(0.059)
Continent Dummies	No	No	No	No	Yes
Observations	80	80	80	80	80
R-squared	0.30	0.35	0.40	0.44	0.51

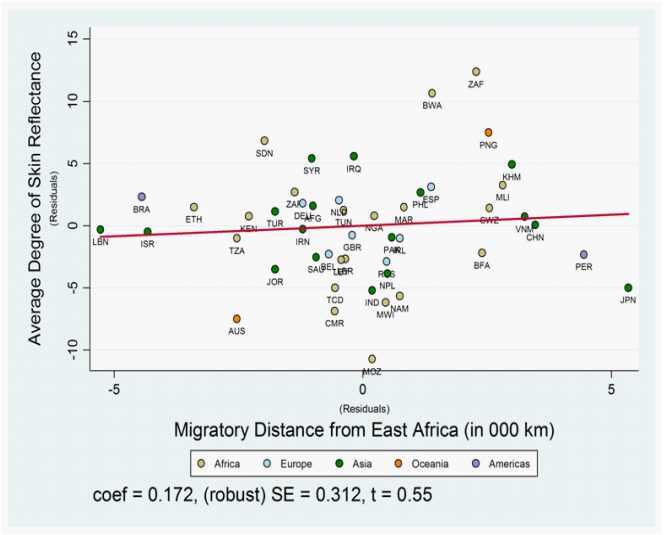
Bootstrap standard errors in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

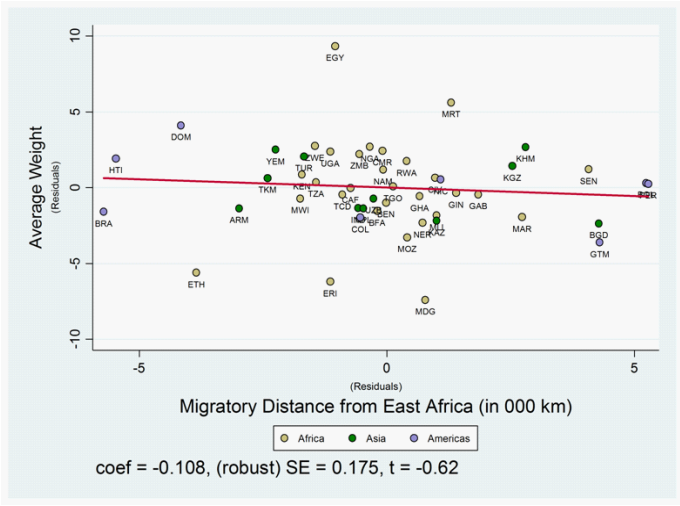
Genetic Diversity and Urbanization Rates in 1500

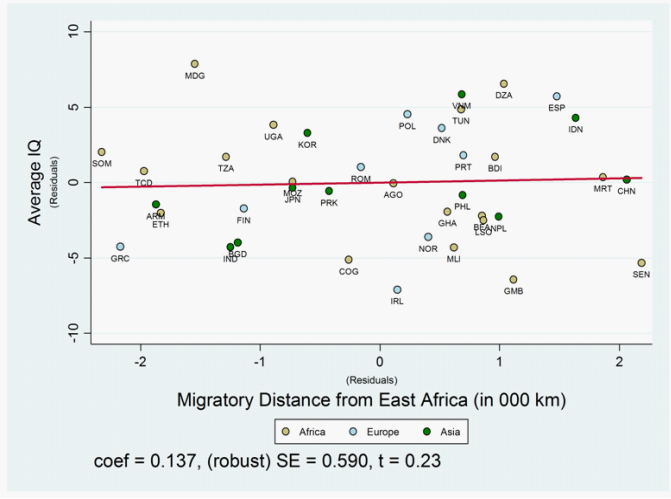


Absence of Selection along the Migratory Path from East Africa









Accounting for distance from the equator.

Measure of Contemporary Genetic Diversity

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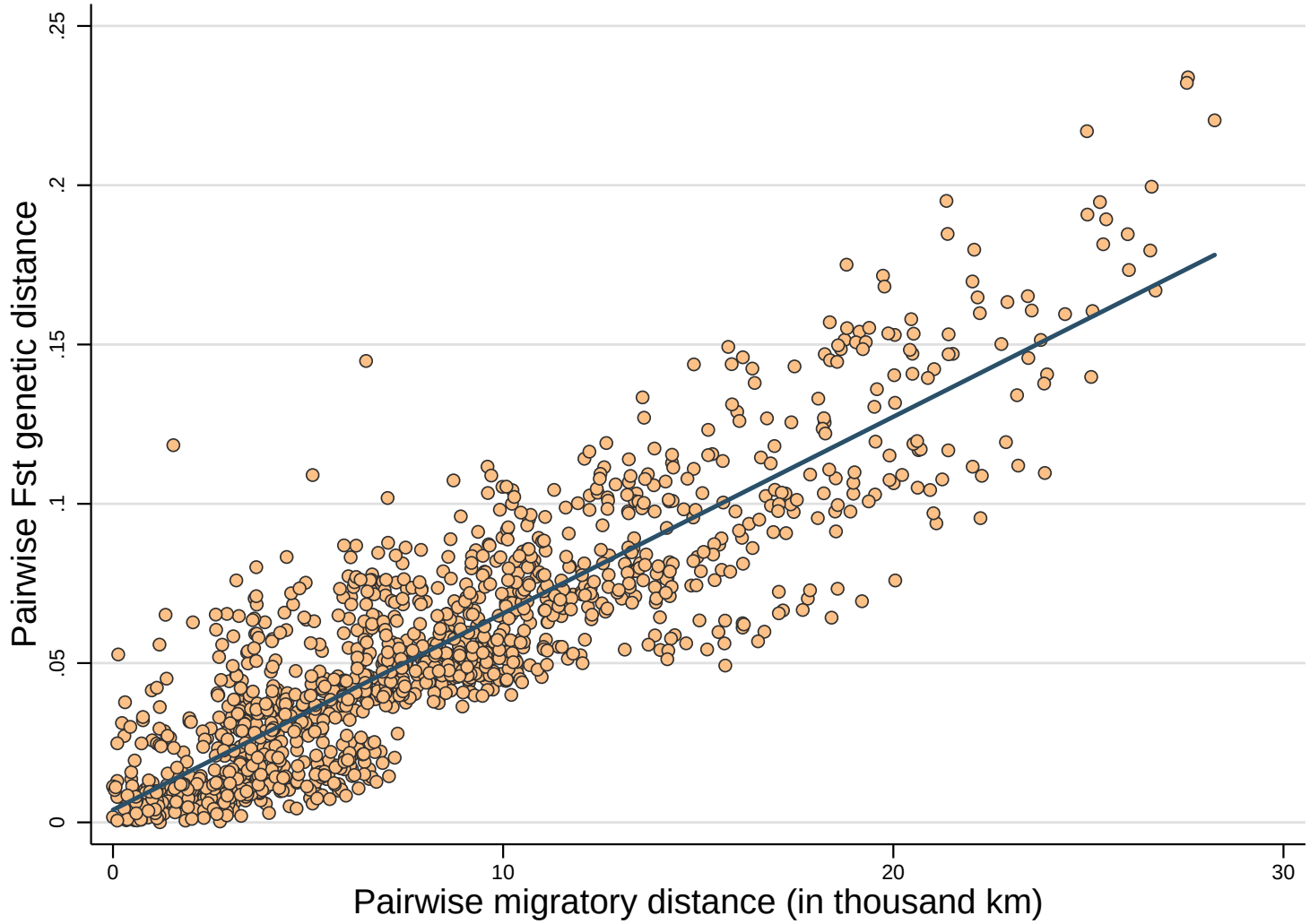
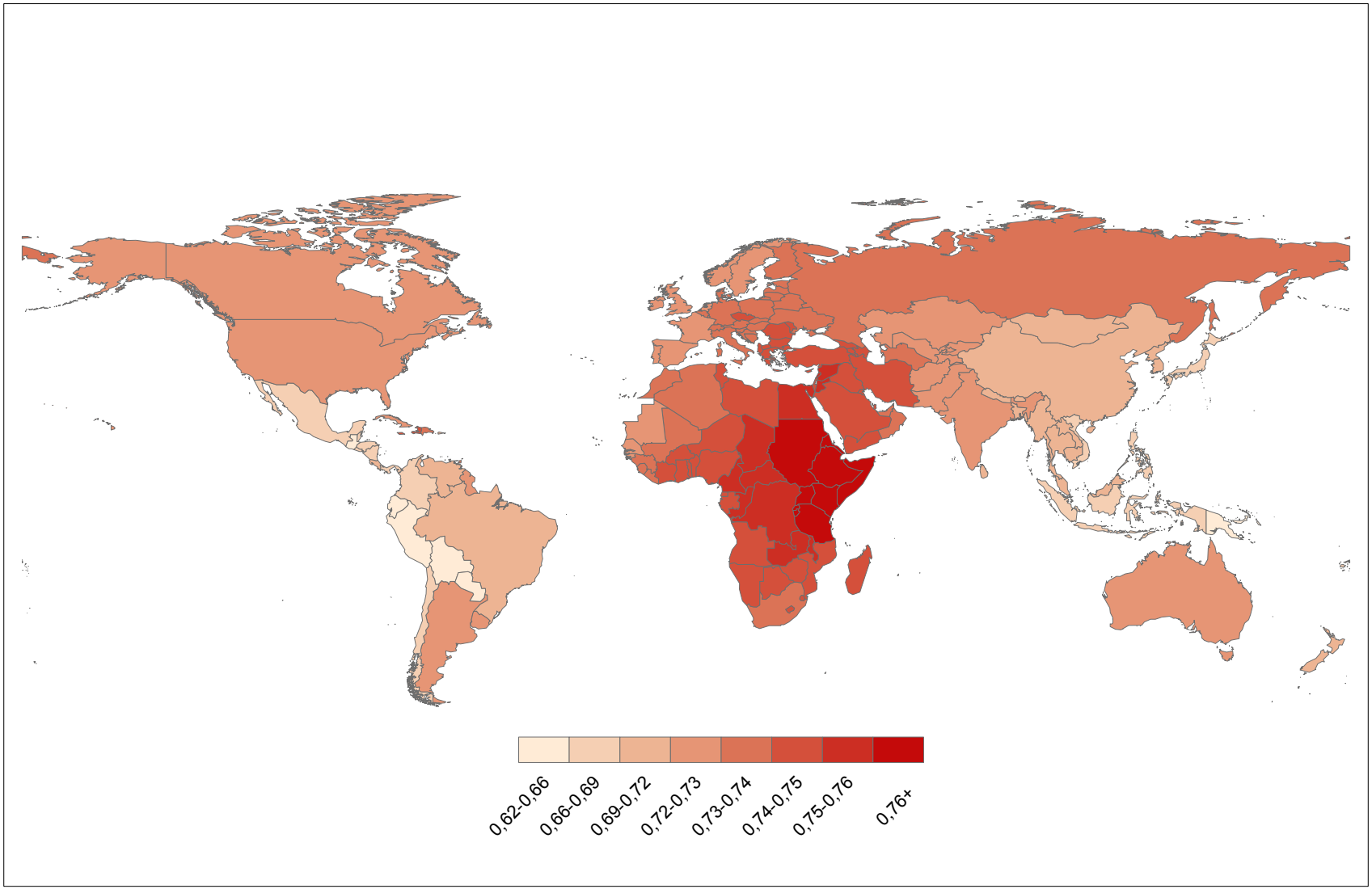
Genetic Distance



Genetic Diversity across Countries in 2000



Empirical Model III

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  - $\Gamma_i \equiv$ vector of additional geographical controls for country i
  - $\eta_i \equiv$ error term for country i

Predicted Diversity and Economic Development in 2000 and 1500

	(1)	(2)	(3)	(4)
	Log Income per Capita in 2000			Log Population Density in 1500
Adjusted Diversity	204.6**	237.2***	245.0***	
	(88.47)	(86.23)	(85.45)	
Adjusted Diversity Sqr.	-143.5**	-166.5***	-171.4***	
	(62.5)	(61.36)	(60.84)	
Unadjusted. Diversity				198.6**
				(79.11)
Unadjusted. Diversity Sqr.				-145.3***
				(55.472)
Log Adj. Years since NR		0.061	0.002	
		(0.262)	(0.305)	
Log Years since NR	-0.151			1.238***
	(0.186)			(0.230)
Log % of Arable Land	-0.110	-0.119	-0.137	0.378***
	(0.100)	(0.107)	(0.111)	(0.100)
Log Absolute Latitude	0.164	0.172	0.192	-0.423***
	(0.125)	(0.119)	(0.143)	(0.124)
Log Agri. Suitability	-0.193**	-0.177*	-0.189*	0.264***
	(0.095)	(0.102)	(0.102)	(0.096)
Log Population Density in 1500			0.047	
			(0.097)	
Optimal Diversity	0.713	0.712	0.715	0.683
	(0.100)	(0.036)	(0.118)	(0.095)
Continent Dummies	Yes	Yes	Yes	Yes
Observations	143	143	143	143
R-squared	0.57	0.57	0.57	0.68

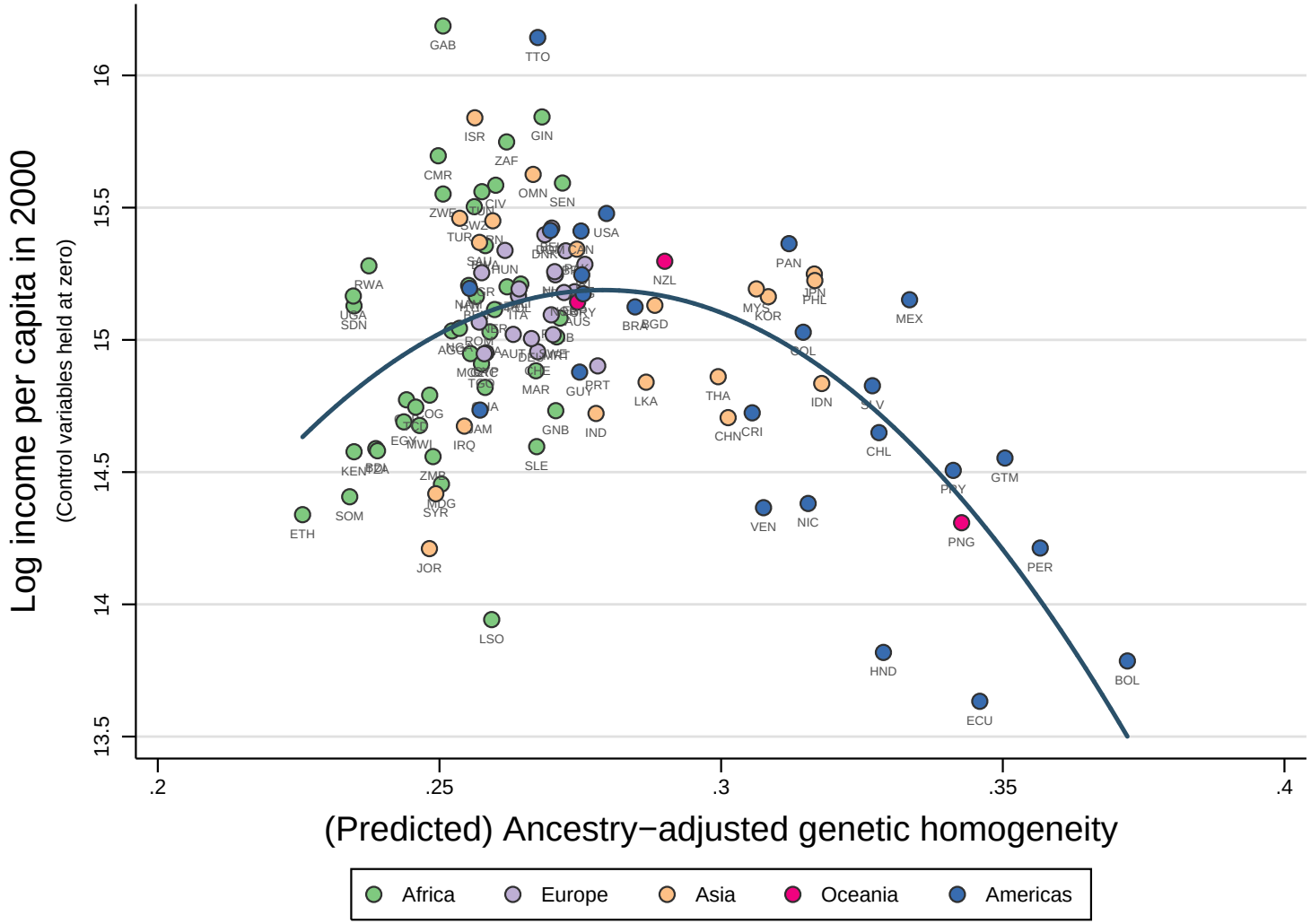
Bootstrap standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Genetic Diversity and Comparative Development in 2000

	(1)	(2)	(3)	(4)	(5)
	Dependent Variable: Log Income per Capita in 2000				
Adjusted Diversity	315.3***	225.9***	204.1***	277.3***	215.7***
	(84.22)	(67.67)	(66.97)	(70.23)	(63.95)
Adjusted Diversity Sqr.	-221.0***	-155.8***	-140.9***	-192.4***	-150.9***
	(59.56)	(47.96)	(47.39)	(49.68)	(45.55)
Log Adj. Time from NR	-0.273	-0.092	-0.062	0.396*	-0.046
	(0.269)	(0.200)	(0.203)	(0.233)	(0.208)
Log % of Arable Land	-0.218***	-0.159***	-0.163***	-0.183***	-0.084
	(0.061)	(0.049)	(0.050)	(0.051)	(0.056)
Log Absolute Latitude	0.123	0.083	0.080	0.009	-0.006
	(0.122)	(0.100)	(0.101)	(0.108)	(0.087)
Social Infrastructure		2.359***	2.069***	1.826***	0.880**
		(0.269)	(0.377)	(0.417)	(0.418)
Democracy			0.036		
			(0.029)		
Ethnic Fractionalization				-0.333	-0.122
				(0.280)	(0.265)
% Population at Risk of Contracting Malaria				-0.502	-0.723**
				(0.351)	(0.353)
Avg. Schooling					0.134***
					(0.042)
Optimal Diversity	0.713	0.725	0.725	0.721	0.715
	(0.014)	(0.032)	(0.045)	(0.008)	(0.073)
Continent Dummies	Yes	Yes	Yes	Yes	Yes
Legal Origin Dummies	No	No	No	Yes	Yes
Major Religion Shares	No	No	No	Yes	Yes
Observations	109	109	109	109	94
R-squared	0.74	0.84	0.85	0.90	0.93

Bootstrap standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Genetic Diversity and Comparative Development in 2000



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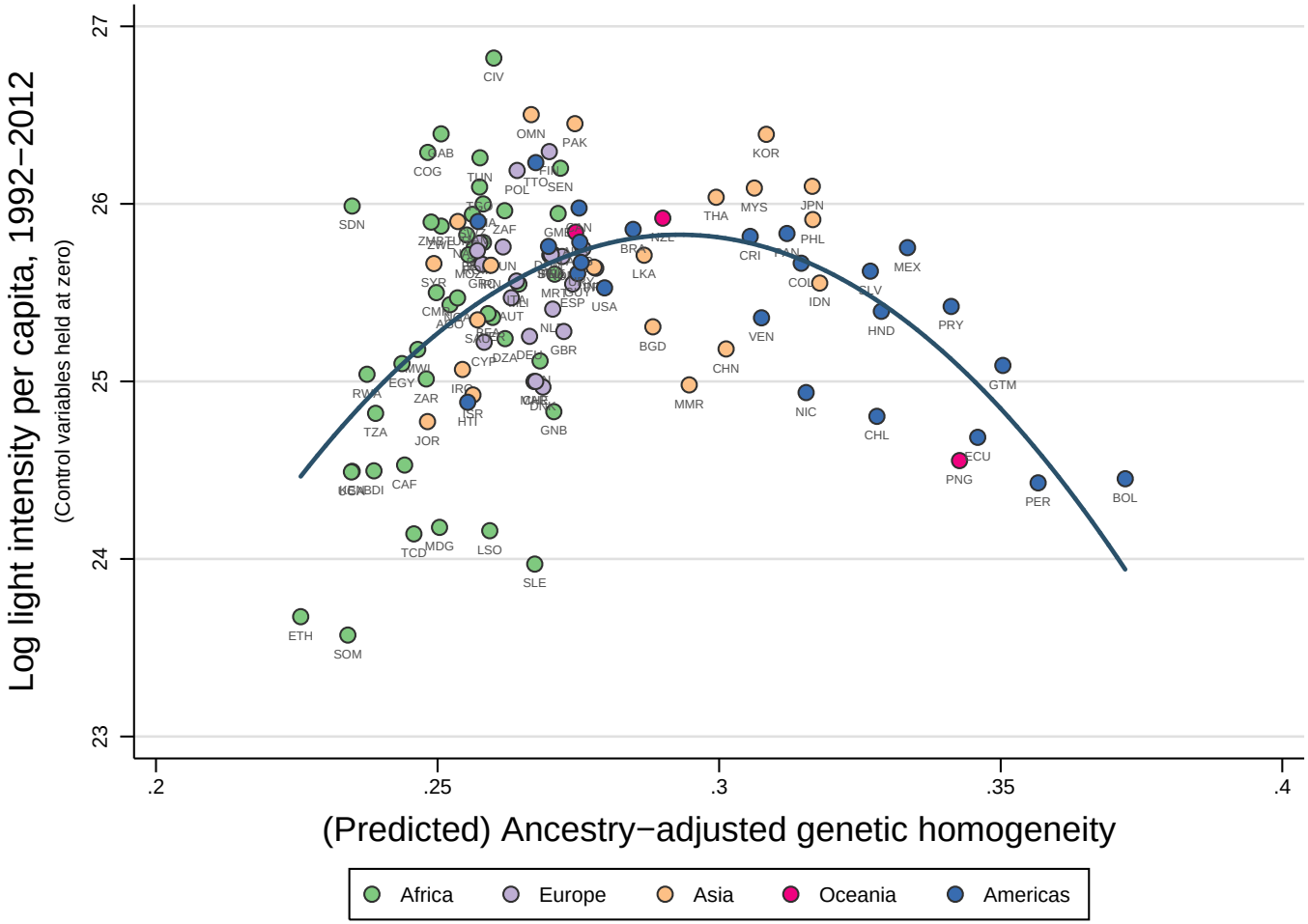
    - From 2% to 4% of that of the US
  - 0.01 $\Longrightarrow$ 21% increase in income per capita in 2000
- 0.01 change from the optimal level of GD
  - $\Longrightarrow$ 1.9% decrease in income per capita in 2000

Addressing Endogenous Post-1500 Migrations

	(1) Full Sample	(2) Non OECD	(3) w/o Neo Europes	(4) w/o Latin America	(5) w/o Sub Sahara	(6) >0.97 Indigenous
	Dependent Variable is Log Income per Capita in 2000					
Adjusted Diversity	277.3***	222.0***	261.4***	412.2***	264.8**	304.7**
	(70.2)	(88.48)	(70.53)	(148.6)	(111.4)	(111.6)
Adjusted Diversity Sqr.	-192.4***	-189.0***	-181.8***	-287.1***	-183.9**	-213.4**
	(49.68)	(62.10)	(49.67)	(101.9)	(80.40)	(77.26)
Log Adj. Time of NR	0.396*	0.390	0.355	0.518*	0.068	0.448*
	(0.233)	(0.281)	(0.231)	(0.298)	(0.442)	(0.254)
Log % of Arable Land	-0.183***	-0.236***	-0.201***	-0.189***	-0.211**	-0.104
	(0.051)	(0.060)	(0.055)	(0.050)	(0.097)	(0.061)
Log Absolute Latitude	0.009	-0.021	-0.025	-0.139	0.218	-0.074
	(0.108)	(0.119)	(0.111)	(0.126)	(0.242)	(0.130)
Social Infrastructure	1.826***	1.313**	1.416***	2.044***	1.585***	1.311*
	(0.417)	(0.579)	(0.507)	(0.545)	(0.486)	(0.716)
Ethnic Frac.	-0.333	-0.437	-0.390	-0.752**	0.104	-0.044
	(0.280)	(0.375)	(0.300)	(0.348)	(0.408)	(0.412)
% Population at Risk of Malaria	-0.502	-0.605	-0.591	-0.308	-0.425	-0.153
	(0.351)	(0.381)	(0.370)	(0.486)	(0.581)	(0.434)
% Population Living in Tropical Zones	-0.319	-0.196	-0.302	-0.520**	-0.528	-0.339
	(0.204)	(0.239)	(0.219)	(0.252)	(0.341)	(0.312)
Optimal Diversity	0.721	0.720	0.719	0.718	0.720	0.714
	(0.083)	(0.085)	(0.015)	(0.023)	(0.180)	(0.012)
Observations	109	83	105	87	71	37
R-squared	0.90	0.82	0.89	0.93	0.86	0.98

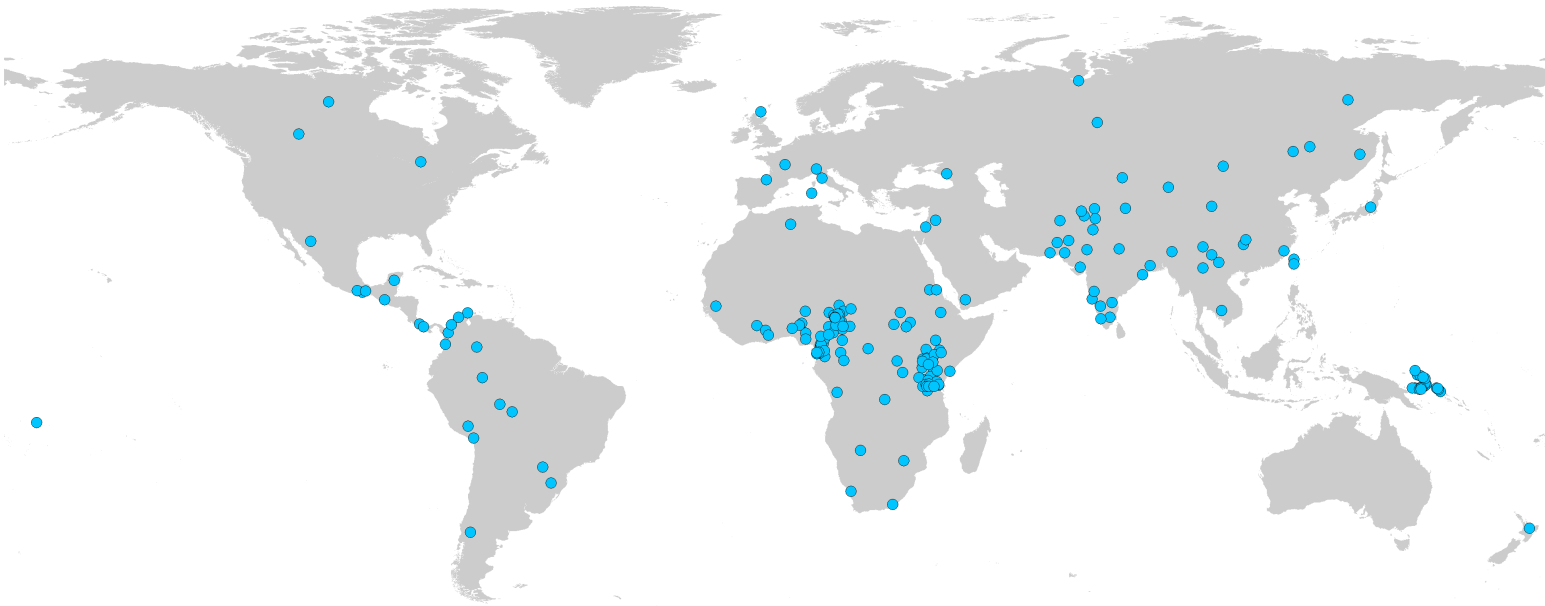
Bootstrap standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Genetic Diversity and Light Intensity per Capita 1992-2012

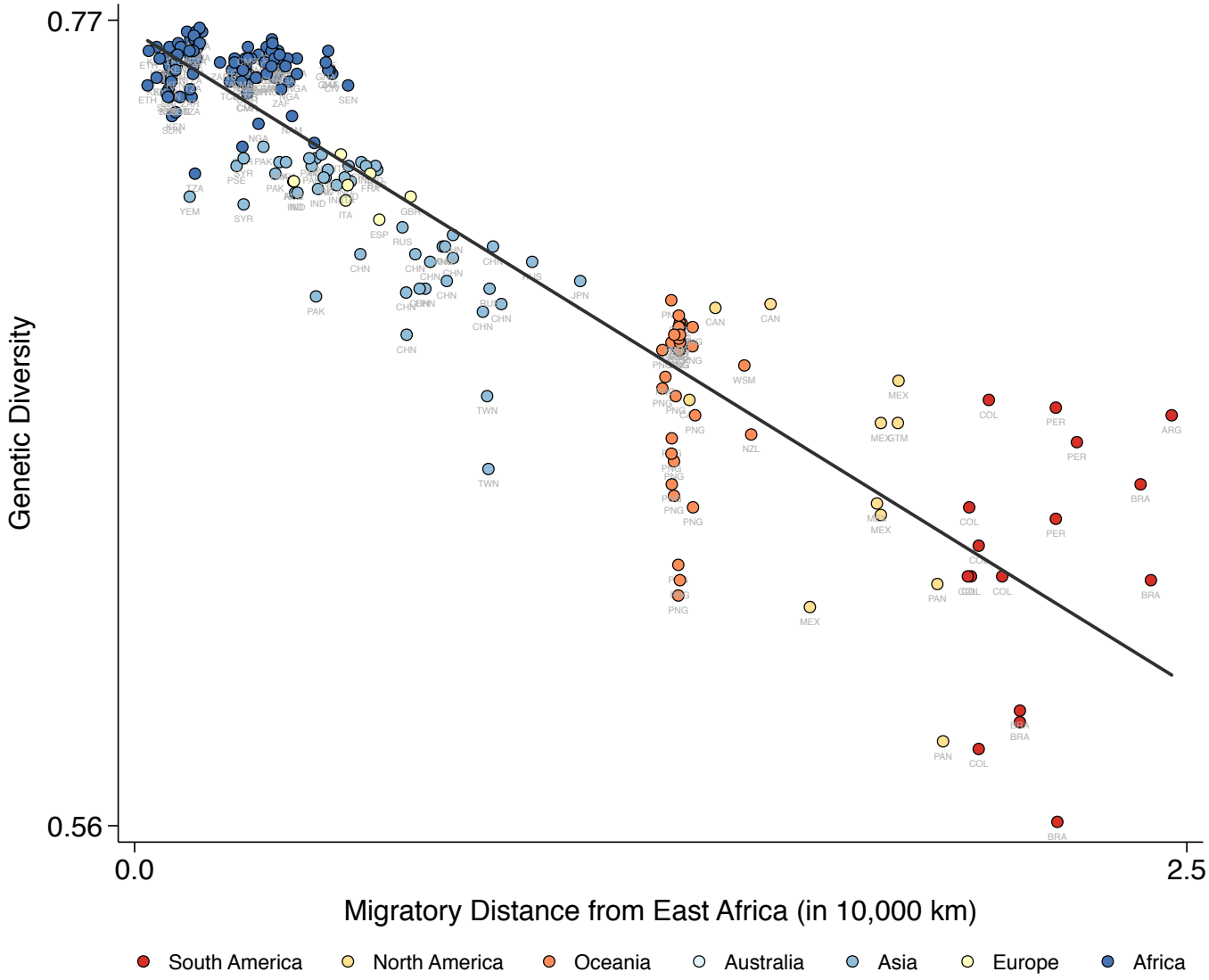


Source: Ashraf-Galor-Klemp (2014)

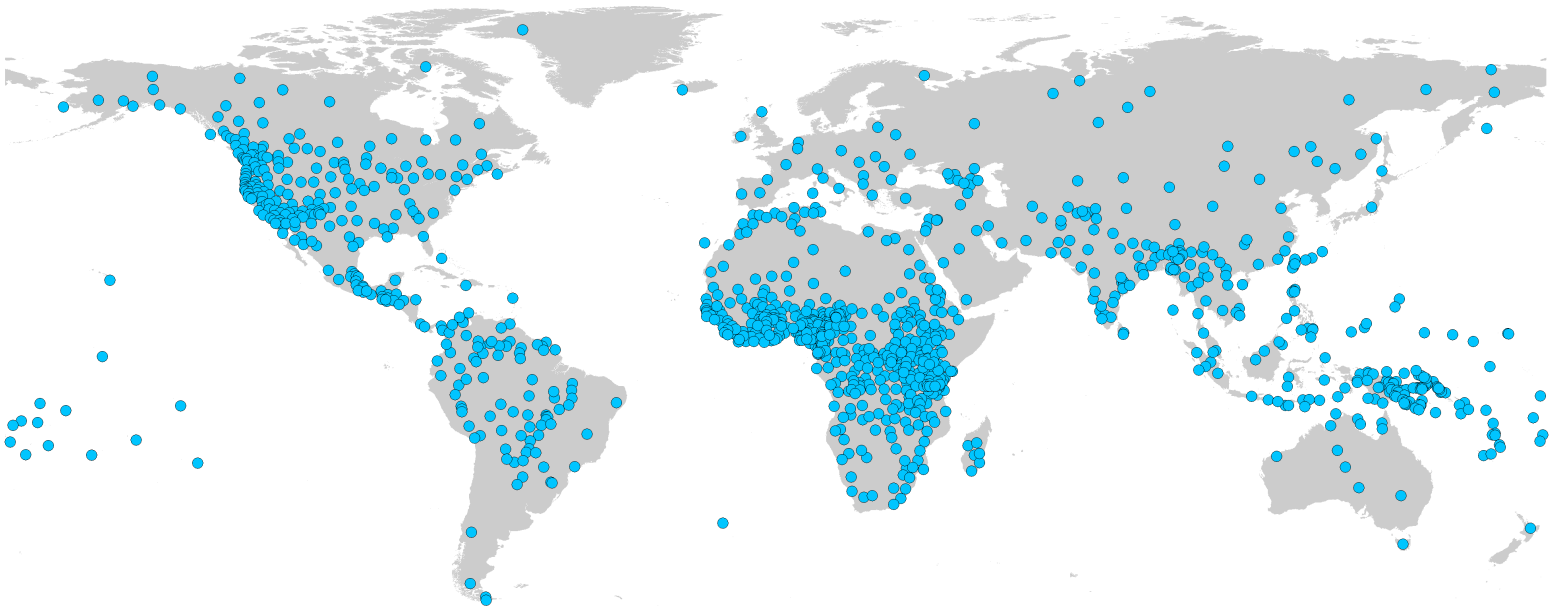
Observed Genetic Diversity - 230 Ethnic Groups



Migratory Distance from Africa and Genetic Diversity



Predicted Diversity - 1265 Ethnic Groups



Observed Genetic Diversity and Population Density 10,000 BCE - 1500 CE

	Log Population Density in the Year:												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	10000BCE	9000BCE	8000BCE	7000BCE	6000BCE	5000BCE	4000BCE	3000BCE	2000BCE	1000BCE	100AD	1000AD	1500AD
Genetic Diversity	524.0***	530.4***	572.0***	584.1***	593.8***	580.2***	603.4***	593.7***	581.6***	569.8***	558.4***	443.7***	360.2***
	(113.8)	(100.2)	(98.48)	(96.53)	(97.39)	(91.63)	(86.74)	(86.06)	(86.16)	(85.19)	(84.14)	(70.50)	(74.09)
Genetic Diversity, Sqr.	−386.3***	−393.9***	−423.6***	−432.0***	−437.5***	−428.0***	−447.1***	−439.6***	−431.4***	−422.8***	−414.6***	−325.1***	−263.1***
	(85.60)	(75.88)	(74.47)	(72.84)	(73.32)	(68.54)	(65.01)	(64.34)	(64.23)	(63.64)	(62.89)	(52.98)	(55.16)
Geographic Variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climatic Variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Regional FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of Observations	185	185	185	188	188	195	202	207	216	219	221	229	230
Adjusted R^2	0.352	0.383	0.397	0.421	0.440	0.458	0.452	0.464	0.474	0.497	0.511	0.536	0.521
Diversity at Peak	0.678	0.673	0.675	0.676	0.679	0.678	0.675	0.675	0.674	0.674	0.673	0.682	0.685
Significance of hump: p<	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001

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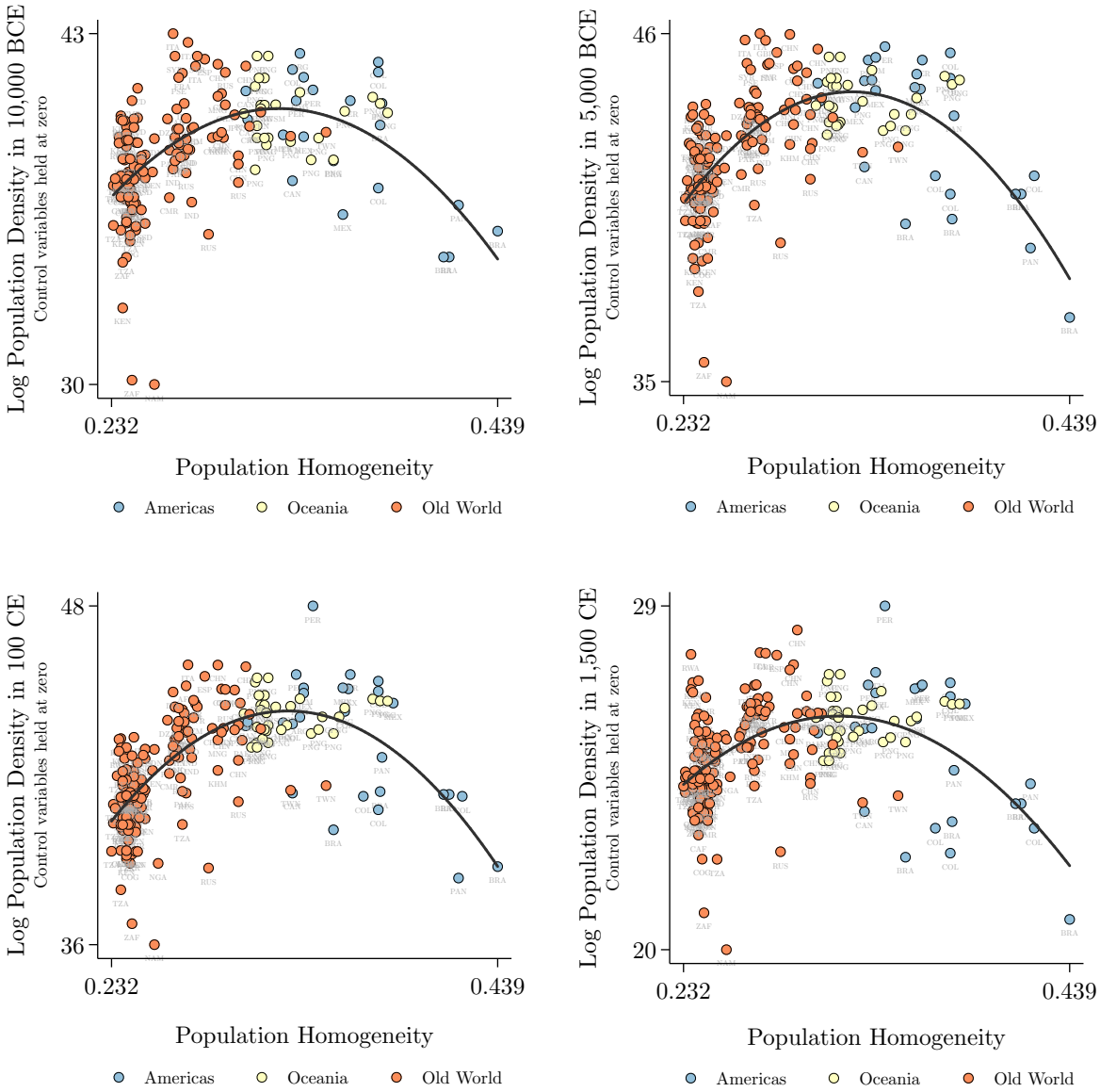
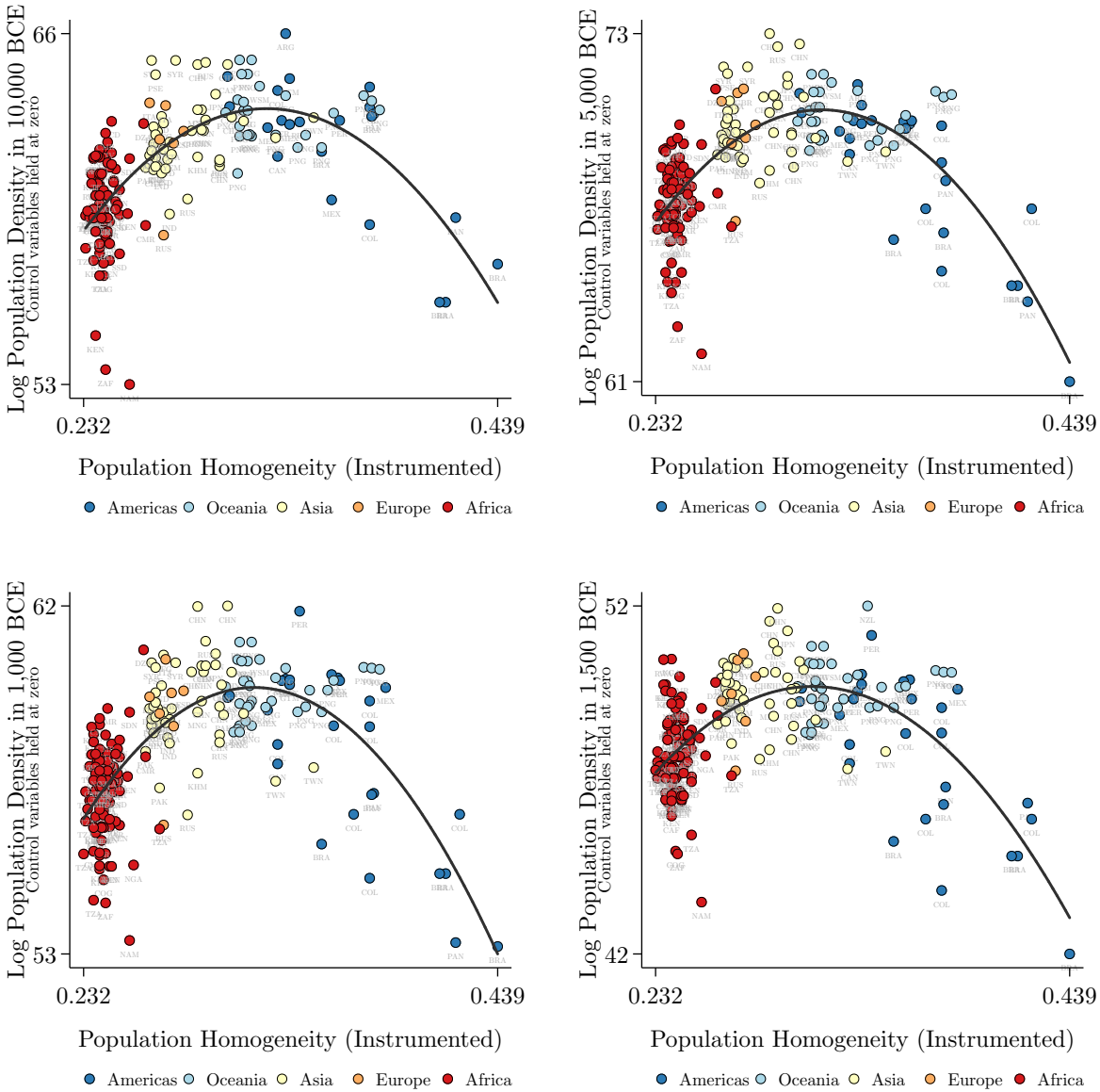


Observed Diversity and Population Density 10,000 BCE - 1500 CE - IV

	Log Population Density in the Year:												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	10000BCE	9000BCE	8000BCE	7000BCE	6000BCE	5000BCE	4000BCE	3000BCE	2000BCE	1000BCE	100AD	1000AD	1500AD
Genetic Diversity	826.3***	874.6***	949.12***	918.3***	1005***	993.6***	903.0***	832.6***	859.3***	847.6***	834.6***	711.9***	728.6***
	(292.5)	(265.6)	(267.3)	(248.6)	(256.5)	(237.4)	(211.9)	(203.4)	(201.4)	(197.2)	(190.0)	(168.2)	(162.0)
Genetic Diversity, Sqr.	−609.1***	−643.7***	−697.9***	−672.2***	−733.5***	−722.1***	−656.3***	−606.1***	−626.9***	−617.0***	−608.6***	−512.7***	−526.1***
	(220.3)	(200.6)	(201.6)	(187.1)	(192.6)	(178.9)	(159.2)	(152.8)	(150.9)	(147.6)	(142.1)	(126.2)	(121.0)
Geographic Variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climatic Variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Regional FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of Observations	185	185	185	188	188	195	202	207	216	219	221	229	230
Adjusted R^2	0.387	0.414	0.415	0.447	0.442	0.442	0.463	0.480	0.475	0.501	0.518	0.528	0.486
Diversity at Peak	0.678	0.679	0.680	0.683	0.685	0.688	0.688	0.687	0.685	0.687	0.686	0.694	0.692
Significance of hump: p<	0.012	0.006	0.003	0.003	0.002	0.002	0.002	0.002	0.001	0.002	0.001	0.005	0.002
1st Stage F-statistic	12.21	12.32	12.32	12.33	16.49	16.42	17.34	16.88	13.18	14.04	14.54	24.68	25.57

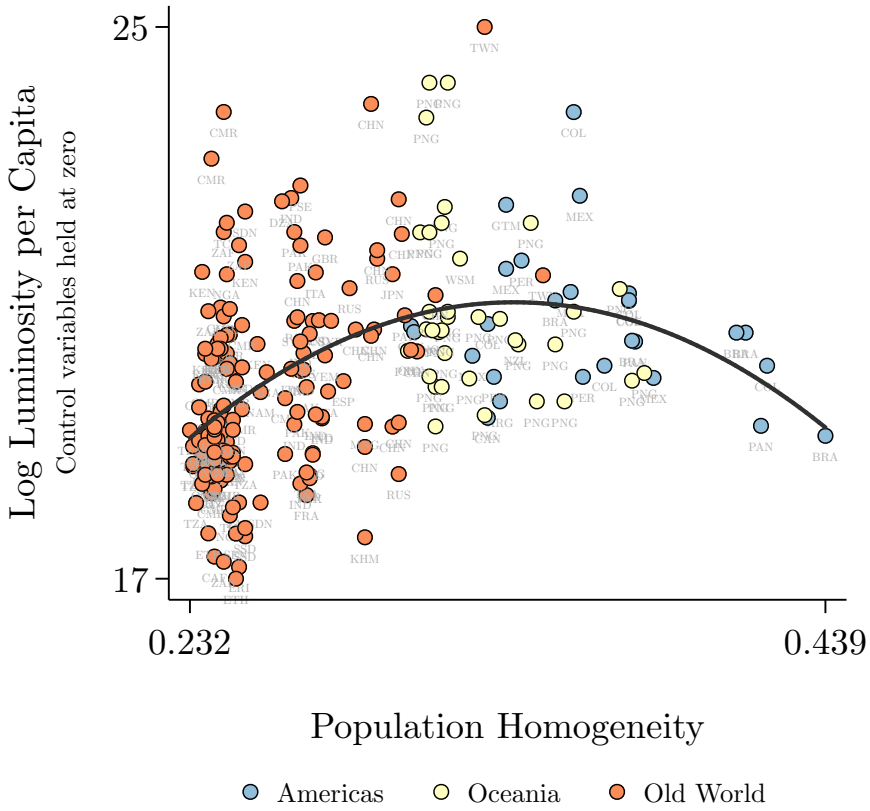
Observed Diversity and Population Density 10,000 BCE - 1500 CE - IV

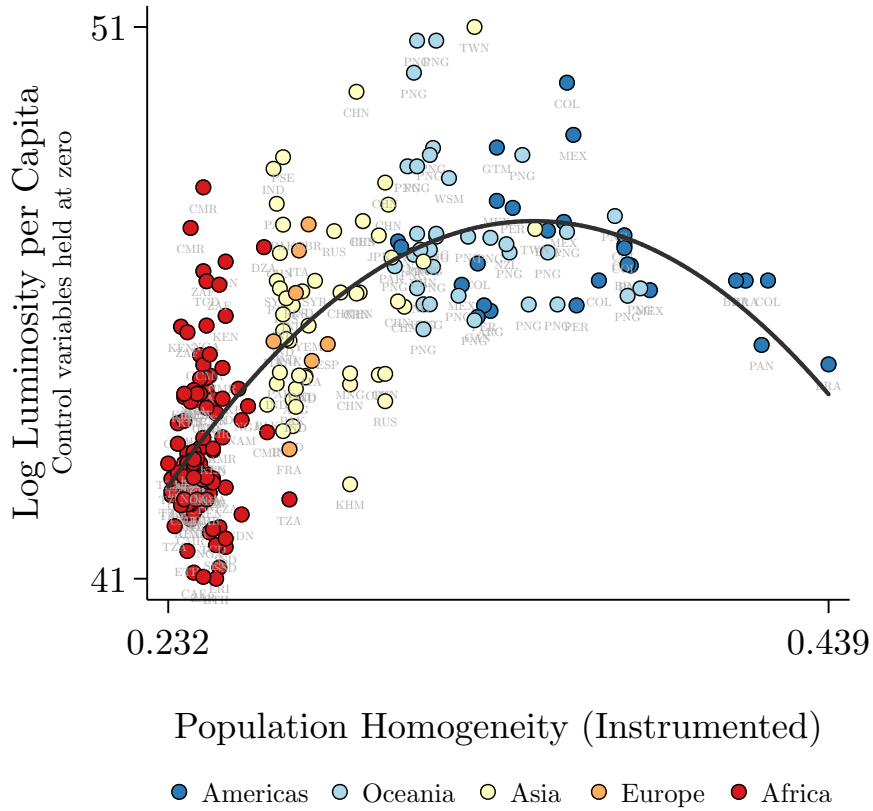


Predicted Diversity and Population Density 10,000 BCE - 1500 CE

	Log Population Density in the Year:												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	10000BCE	9000BCE	8000BCE	7000BCE	6000BCE	5000BCE	4000BCE	3000BCE	2000BCE	1000BCE	100AD	1000AD	1500AD
Predicted Diversity	349.7***	377.3***	395.0***	426.5***	443.3***	441.0***	396.4***	355.0***	392.0***	380.3***	319.8***	219.8***	223.6***
	(85.23)	(83.23)	(83.56)	(83.97)	(84.12)	(84.70)	(83.12)	(80.79)	(72.94)	(71.46)	(70.15)	(64.56)	(60.78)
Predicted Diversity, Sqr	−254.8***	−273.9***	−285.6***	−307.2***	−318.3***	−315.3***	−283.5***	−254.7***	−284.0***	LARGE −276.8***	−233.5***	−151.8***	−154.0***
	(60.78)	(59.36)	(59.59)	(59.86)	(59.99)	(60.34)	(59.29)	(57.66)	(51.99)	(50.9)	(50.04)	(45.94)	(43.25)
Geographic Variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climatic Variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Regional FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of Observations	1,060	1,067	1,074	1,092	1,103	1,127	1,154	1,191	1,214	1,225	1,242	1,259	1,273
Adjusted R^2	0.355	0.382	0.390	0.398	0.408	0.417	0.418	0.419	0.452	0.473	0.478	0.575	0.605
Diversity at Peak	0.686	0.689	0.692	0.694	0.696	0.699	0.699	0.697	0.690	0.687	0.685	0.724	0.726
Significance of hump: p<	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.025	0.021

Genetic Diversity and Luminosity across Ethnic Groups





The Conflicting Effects of Diversity

- Population diversity increases the incidence of:

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- Population diversity increases the incidence of:
  - Ethnolinguistic fragmentation

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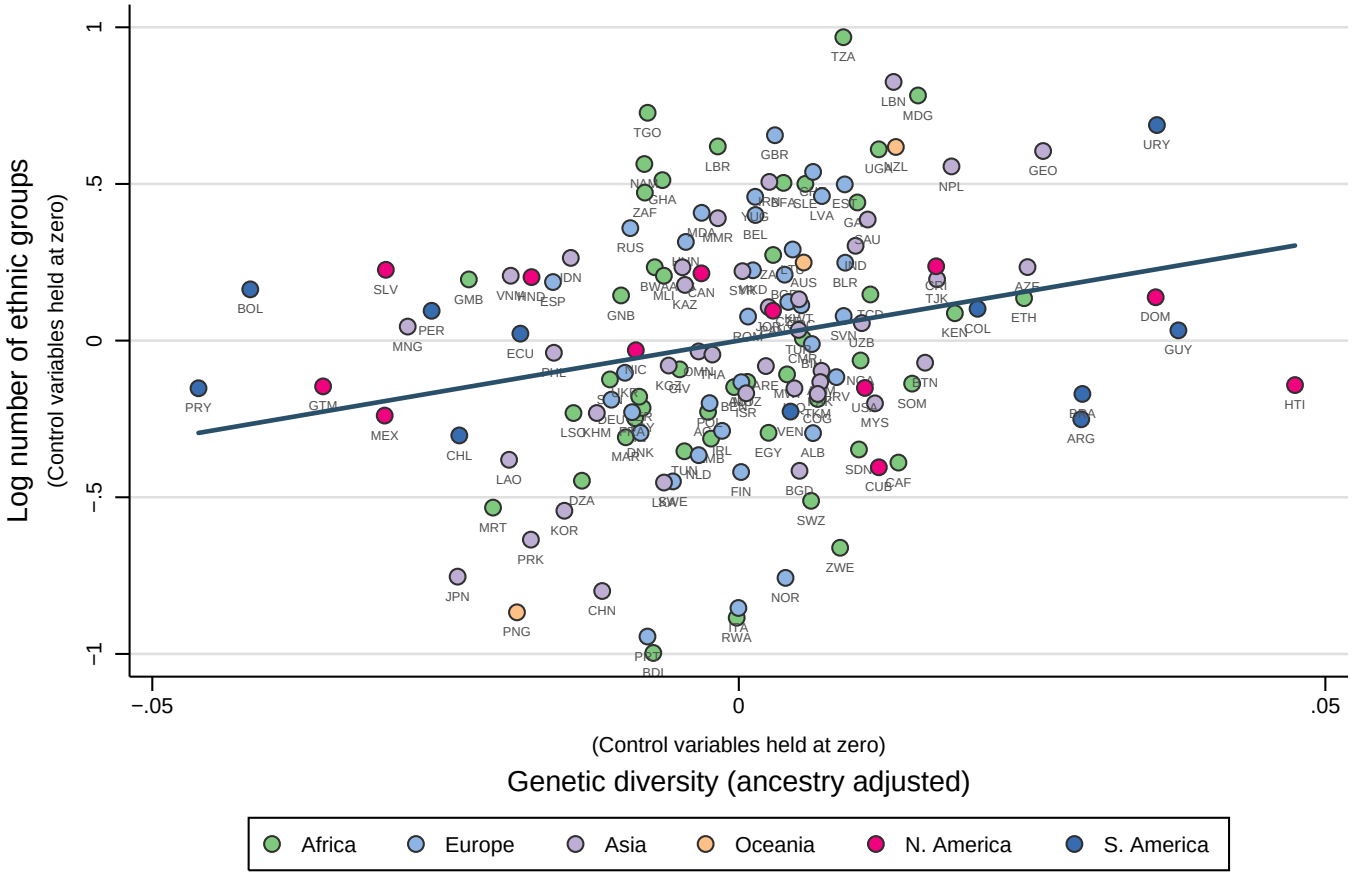
- Population diversity increases the incidence of:
  - Ethnolinguistic fragmentation
  - Mistrust
  - Diversity in preferences for public goods
  - Civil conflicts
- Population diversity increases the:
  - Complementaries in the production process and innovations

Cost of Diversity – Diversity & Cultural Fragmentation

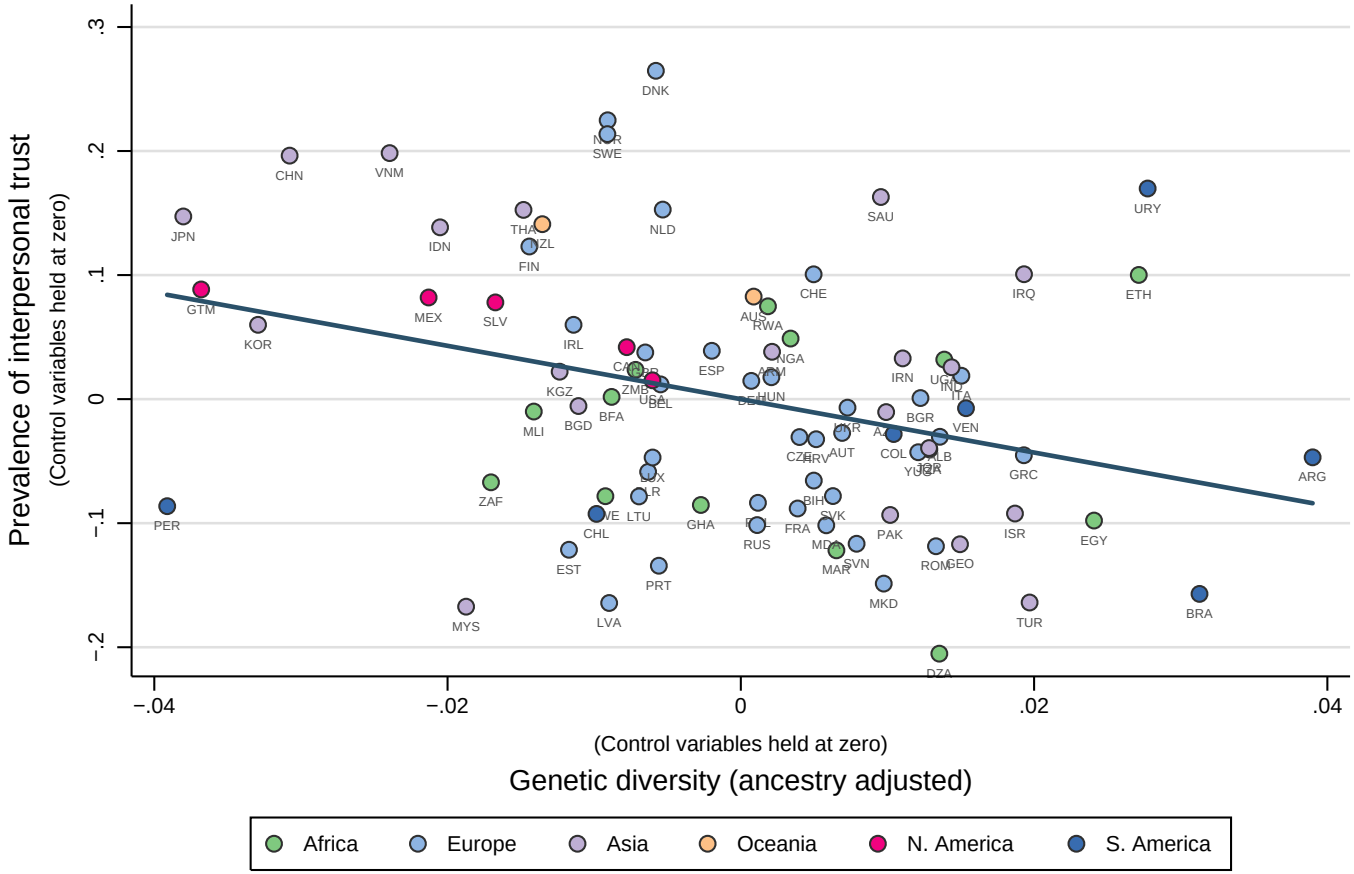


Relationship conditional on historical and geographical controls, as well as continent fixed effects
Slope coefficient = 6.397; (robust) standard error = 1.973; t−statistic = 3.242; partial R−squared = 0.059; observations = 144

Source: Ashraf and Galor (2013b)

Source: Ashraf-Galor (AER, May 2013)

Cost of Diversity – Diversity & Trust



Relationship conditional on geographical controls and region fixed effects
Slope coefficient = −2.151; (robust) standard error = 0.756; t−statistic = −2.845; partial R−squared = 0.105; observations = 84

Source: Arbatli, Ashraf, and Galor (2015)

Diversity & Trust – 2nd-Generation Migrants (US)

	Trust			
	(1)	(2)	(3)	(4)
Predicted Genetic Diversity (Ancestral country)	**–7.008*****	**–7.750*****	**–8.045*****	**–8.605*****
	(0.011)	(0.577)	(2.325)	(2.599)
Ancestral Continent FE	Yes	Yes	Yes	Yes
Year FE	No	Yes	Yes	Yes
Age & Gender FE	No	Yes	Yes	Yes
Income FE	No	No	Yes	Yes
Religion FE	No	No	Yes	Yes
Education FE	No	No	Yes	Yes
US Region FE	No	No	No	Yes
Observations	1149	1149	906	906
Adjusted R^2	0.062	0.168	0.216	0.231

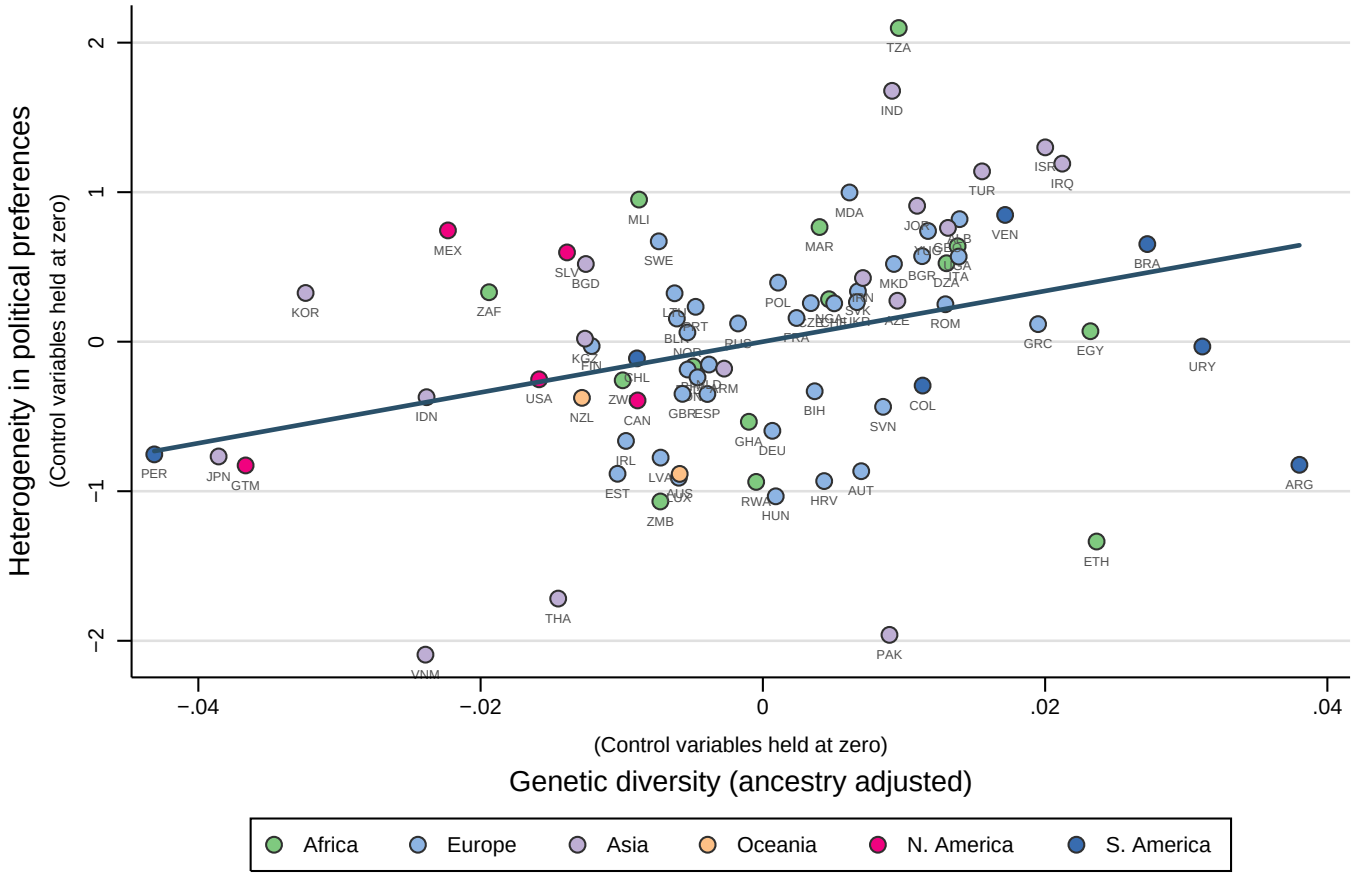
Source: Arbatli-Ashraf-Galor-Klemp (ECMA, 2019)

Diversity & Trust – 2nd-Generation Migrants (Africa)

	Trust			
	(1)	(2)	(3)	(4)
Observed Genetic Diversity (Ancestral ethnic homeland)	**–23.010****	**–21.851****	**–28.775****	**–25.436*****
	(10.472)	(10.148)	(11.959)	(7.588)
Host Country FE	Yes	Yes	Yes	Yes
Age & Gender FE	No	Yes	Yes	Yes
Slave Exports	No	Yes	Yes	Yes
Living Conditions FE	No	No	No	Yes
Education FE	No	No	No	Yes
Observations	3448	3448	3448	3448
Adjusted R^2	0.220	0.227	0.236	0.253

Source: Arbatli-Ashraf-Galor-Klemp (ECMA, 2019)

Cost of Diversity – Diversity & Heterogeneity in Preferences



Relationship conditional on geographical controls and region fixed effects
Slope coefficient = 16.963; (robust) standard error = 5.954; t−statistic = 2.849; partial R−squared = 0.111; observations = 81

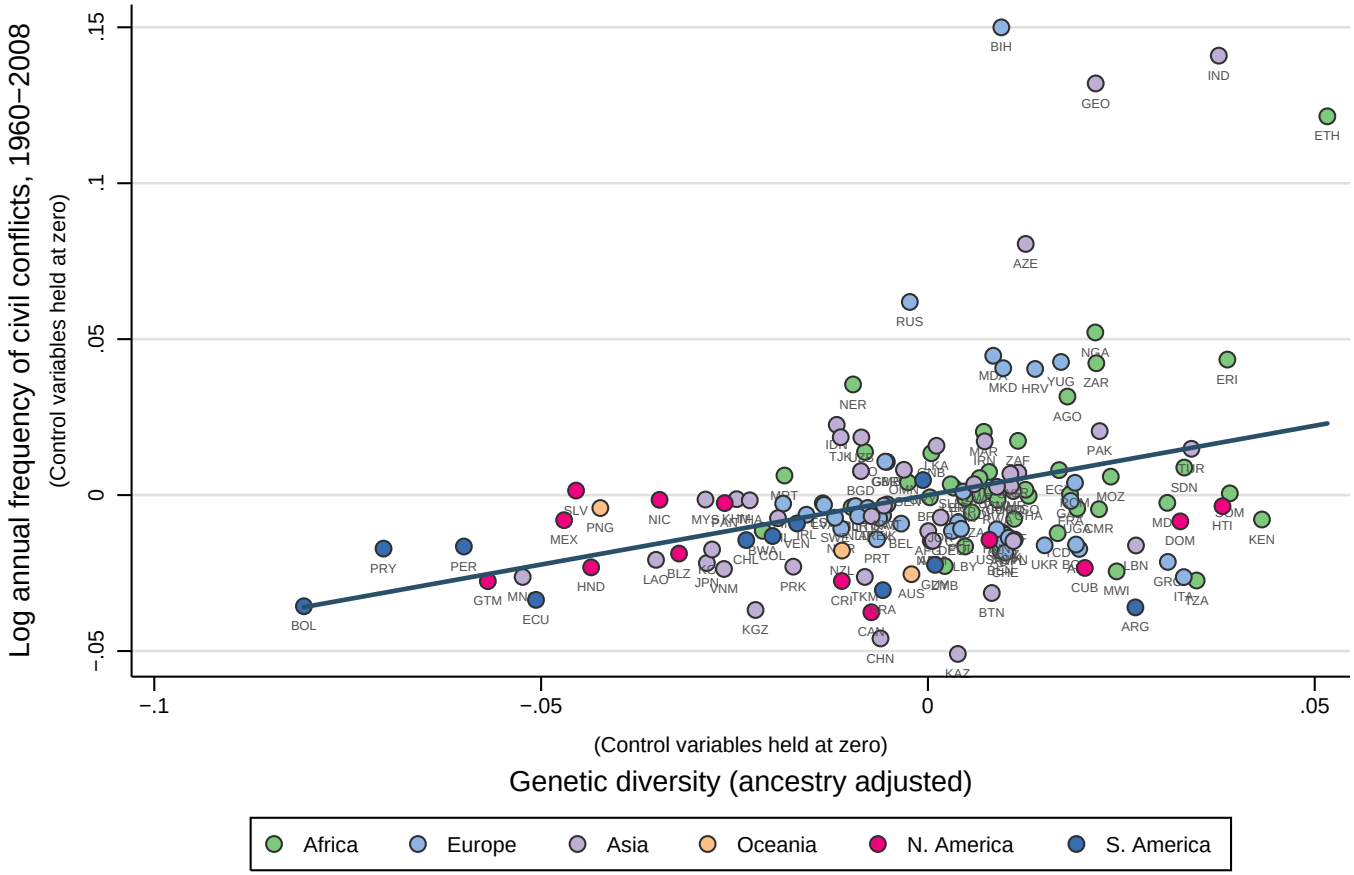
Source: Arbatli, Ashraf, and Galor (2015)

Cost of Diversity – Diversity & Civil Conflict across Countries

	Log **Civil Conflict Onsets, 1960–2017**			
	OLS	OLS	OLS	IV
Population diversity (ancestry adjusted)	**0.209***** (0.066)	**0.318***** (0.119)		**0.537***** (0.176)
Within-group population diversity			**0.364***** (0.140)	
Between-group population diversity			**0.284*** (0.166)	
Ethnic fractionalization		0.004 (0.013)	0.004 (0.013)	–0.005 (0.010)
Ethnolinguistic polarization		0.014 (0.011)	0.014 (0.012)	0.020* (0.012)
Geographic Controls		×	×	×
Continent dummies		×	×	×
Observations	150	150	150	150
Adjusted R^2	0.029	0.215	0.212	
First Stage				**Pop Diversity**
Migratory distance from East Africa				– 0.065*** (0.007)
First-stage F statistic				92.69

Source: Arbatli-Ashraf-Galor-Klemp (ECMA, 2019)

Cost of Diversity – Diversity & Civil Conflict across Countries

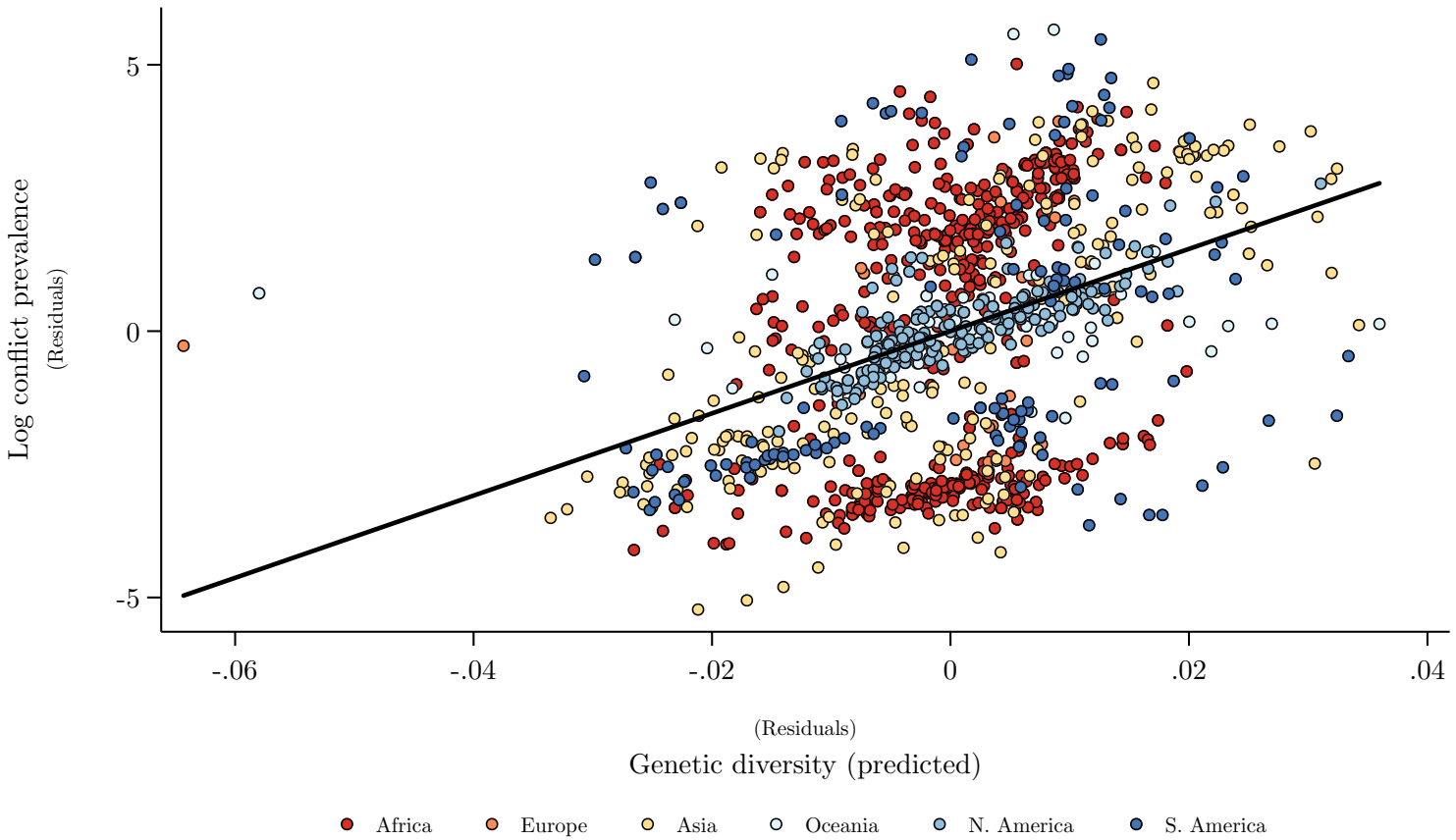


Relationship conditional on geographical controls
Slope coefficient = 0.445; (robust) standard error = 0.117; t−statistic = 3.790; partial R−squared = 0.112; observations = 151

Source: Arbatli, Ashraf, and Galor (2015)

Source: Arbatli-Ashraf-Galor-Klemp (ECMA, 2019)

Cost of Diversity: Diversity & Civil Conflict across Ethnic Homelands

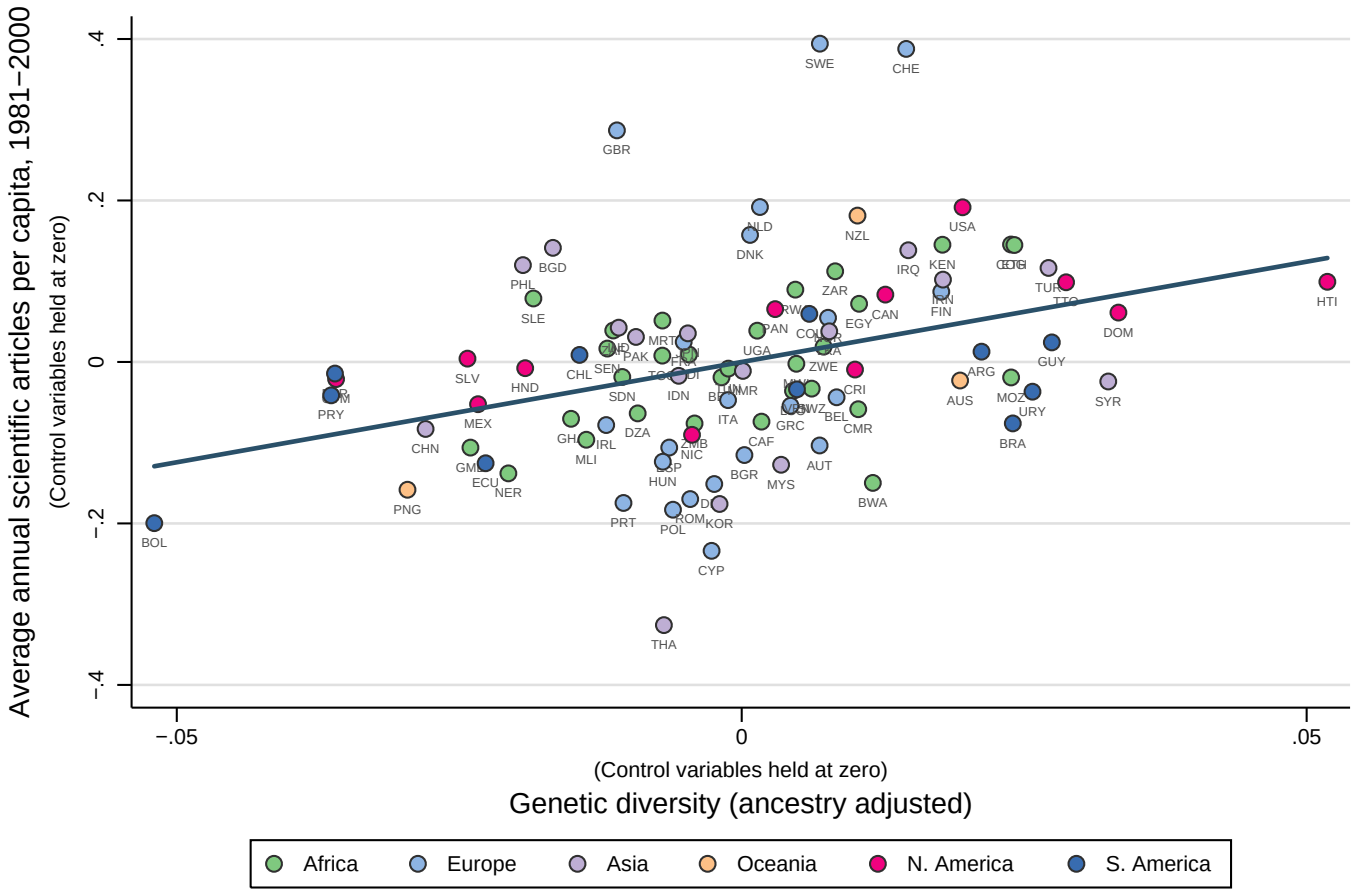


Relationship in the global sample; conditional on baseline geographical controls

Slope coefficient = 77.170; (robust) standard error = 6.089; t-statistic = 12.675; partial R-squared = 0.145; observations = 1238

Source: Arbatli-Ashraf-Galor-Klemp (ECMA, 2019)

Mechanisms: Benefits of Diversity – Diversity & Scientific Research



Relationship conditional on historical, geographical, and institutional controls, as well as continent fixed effects
Slope coefficient = 2.484; (robust) standard error = 0.511; t−statistic = 4.864; partial R−squared = 0.131; observations = 93

Source: Ashraf and Galor (2013a)

Conclusions: Roots of Comparative Development

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- Diversity enhances innovations and knowledge creation

Policy Implications

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- Optimal level of cultural assimilation