Growth and National Conflict

Nikolaus Wolf (Humboldt University Berlin and CEPR)

Abstract

Both economic growth and increasing national conflict characterize Europe during the period 1870-1914. I propose a theoretical framework with mobility between ethnic groups and over geographical space, where technological change increases the demand for culture-specific public goods, such as schooling, universities, or public libraries. I show that technological change can lead to increasing mobility between locations and between cultural groups. At some level this will also lead to sudden outbreaks of conflict between groups of a different cultural background over the provision of these public goods. I provide evidence for the relationship between technological change, mobility patterns and national conflict for Central Europe before 1914.