In this talk, I highlight a methodological contribution and then show how it can be used to study the long-term effects of historical contingencies for economic development.

I quickly review the state-of-the-art spatial RDD framework suitable for isolating causal effects when there are (sharp) spatial breaks in the data. I then propose several improvements. First, I illustrate that some commonly used specifications are prone to type-I errors, especially when there are spatial trends in the data. Second, I propose a way to report heterogeneous treatment effects alongside the RD cutoff. Third, I introduce randomization inference into the spatial RD framework by creating a set of functions that allow to randomly shift borders. These tools might be interesting for other identification strategies that rely on the shift of boundaries. A companion R-package called “SpatialRDD” includes all the tools necessary to carry out spatial RD estimation - including the proposed improvements.

I then move on to use a historical quasi-natural experiment in Goa, India, to document the persistent effect of Portuguese (catholic) colonialism in a South Asian context. The same institutions were in place on both sides of a former border for almost 250 years. However, only on one side, the colonizers imposed what I characterize as a “cultural treatment”, which mainly pertained to societal gender norms and education. This provides a rare opportunity to isolate and identify the effect of culture, holding constant geography, income, and institutions. I find that historically induced gaps in education can be closed, albeit much slower for females. Male-biased sex ratios, on the other hand, appear not to move at all. I conclude that institutions, combined with the right incentives and equal infrastructural investment, can be able to overcome differences in specific important outcomes. Yet, when it comes to deep-rooted cultural norms such as male son preferences, they appear to be little effective, suggesting that different approaches are needed to tackle the problem of missing women in India (currently c. 60 million).