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‘Warlords, famines and the rise of Communism in China’

We explore institutional causes of famines in the warlord period China in 1920s and the subsequent consequences in facilitating the rise of Communism in China. General Yuan ShiKai, the first President of the newly founded Republic, unexpectedly died in 1916. China was left without a strong central state and local rulers quickly developed into warlords, who waged a series of civil wars to fight for territory and resources between 1917 and 1926. We constructed a unique database containing 332 prefectural level observations within a timespan of 22 years (1905-1927). Using the OLS regression, we find a sharp increase in the number of famines after China’s implosion, suggesting the absence of the disaster reliefs from warlords. More importantly, we find warlords’ incentives to provide sound disaster reliefs are constrained by their expected likelihood of reigning: a more rugged border, which makes the area easier to defend, is correlated with a lower likelihood of famines. To deal with selection issues in border locations, we use the Mongolian re-demarcation in the 13th century as an instrument. The border line reset by the Mongols deviates from natural barriers, and a higher proportion of such border lines predicts less rugged border terrain. The IV regression generates similar results as in the OLS. To assess the long run impact of the governance failure, we collect data on the information of about 1.24 million communist martyrs who died during communist military operations in the post warlord period. In a 3SLS framework, we find that more famines lead to more people joining the communist movement subsequently, measured by communist casualties in the area. In the placebo test, we collect information on martyrs from the government forces during that period, and do not find similar patterns, indicating that famines radicalize local residents toward radical ideology and not toward any army.