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# 'Ora et guberna: The economic impact of Benedict's Rule in medieval England'

Does the different religious (or a-religious) nature of rulers affect economic outcomes? In particular, are religious leaders (such as Bishops) or religious organisations (such as monastic orders) better or worse rulers than their secular counterparts? In this paper we resort to the historical natural experiment of the Norman Conquest of England to study the effect of different institutional arrangements, religious and secular, on economic outcomes.

Our dataset merges information from the Domesday Book, the English Monastic Archive, an extensive survey of Benedictine abbots (Knowles et al. 2001) and a variety of other sources for geographic and historical controls, gathered at the holding level. As we have information on the economic performance of these holdings (in terms of productive capacity) and on the landlord name, we can compare the productivity of holdings controlled by secular landlords with that of holdings controlled by Benedictine monasteries and Bishops. Moreover, we collected data on a wide range of potential confounding factors (distance to Roman roads and Roman settlements, latitude, longitude, ruggedness, terrain suitability to pasture and agriculture, distance to markets and to London, size, dispersion of holdings controlled by the same landlord).

For identification purposes, we focus our attention on the subsample of holdings that were controlled by Anglo-Saxon secular landlords in 1066 and changed owner in 1086, after the Conquest. Our alternative treatment groups are made of holdings controlled either by Benedictine monasteries or Bishops in 1086, and the control group is made of those that ended up in the hands of Norman noblemen. Applying a difference-in-difference approach, we find that Benedictine holdings experienced a 20 years productive capacity growth rate between 5 and 12 percentage points higher than holdings controlled by secular landlords. This result is robust to the inclusion of our time-invariant covariates interacted with time fixed effect and to matching techniques. Interestingly, holdings re-assigned to Bishops are not statistically different from those controlled by secular landlords.

The effect we identify may be due to several channels, but we argue that the organisational structure, and in particular the way of selecting the leader, played an important role. To support our claim, we firstly provide several tests to take into account and rule out alternative potential explanations. Secondly, as a positive test for our preferred mechanism, we use newly coded historical evidence of royal interference in monastic elections. Holdings re-assigned to monasteries free from such interference perform significantly better than those re-assigned to other monasteries or to other landlords.

Our paper provides three contributions. First, from a political economy point of view, we show that the positive effect of democratic institutions on economic performance extends to "early democratic" (Stasavage 2020) institutions. In terms of economic history, we use the whole depth of the Domesday book and quasi-experimental methods to causally identify the effect of monastic governance on contemporaneous economic outcomes. In terms of economics of religion, we analyse the historical economic impact of religious institutions acting as political players.