

GEOGRAPHY AND STATE FRAGMENTATION

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Abstract

Some of the richest places in the world have very high historical border presence, and are often located in particular geographic environments. In this paper we compile grid-cell level data on borders between sovereign states in Europe and surrounding areas from 1500 until today to document that state borders tend to be located in rugged and mountainous terrain, by rivers, and where it rains a lot. Moreover, two commonly used measures of economic activity—night lights and population density—are higher in cells with more borders, in particular more stable borders. This result holds also when controlling for geography. However, by the same metric, cells with more borders than neighboring cells are less developed than those neighbors. These patterns are consistent with a theory in which state competition benefits long-run development, but these benefits accrue more to the center than the periphery of states. (JEL: O43, N43, N55, N77, H56)

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