Title: Long-run economic consequences of epidemics: Lessons from the “British” Cholera in India

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Abstract:
In today’s outbreak of Covid-19, it is often considered that “the foreigner brought the disease”. As the death toll mounts, for the less affected or even people who will go through safely, this prejudiced perspective may have lasting on the perceptions of foreigners. Even more striking is that, by extension, people coming back from the place of origin, or who will have been in contact with the illness, will be alienated. Thus, the degree of trust in people may suffer a huge blow, which may endanger growth and development for long. We may have entered a new age of defiance. Given the importance of trust in human and, for what concerns this project, economic relations, it is important to assess if the Covid-19 epidemic will have a lasting impact. Here, we will focus on trade relations, the latter expression being understood as covering economic relations on both the intranational and the international stages.

Our aim in this project is to take a long-run perspective, by looking at the onset, development, and long-run consequences on trust and economic relations of a “similar” situation. We will study the long-run economic impact of the epidemic of cholera that has plagued India and brought down to his knees the British “Grand Army” (c. 1817), with direct consequences on the indigenous population that were located on the quasi-rout of the British forces. The epidemic has been considered as being brought to the affected regions by the British soldiers. Hindu villagers perceived them as responsible for it, due to direct violation of Hindu taboos or, indirectly, through their military intervention. They also considered that the indigenous population was bearing most of the consequences. The general context is thus very similar to the present one (although in a mirror situation, as it is Europeans who are being considered as bringing the disease to “Asia”). The goal is to use this historical episode to trace its consequences on peoples’ perceptions of foreigners, to assess how much the “trust factor” in economic relations has been eroded, and to trace its consequences up to nowadays.

There will be three work packages in this project. First, we will thus collate historical data, and match it with present day situations in the affected places. Second, we will analyze the impact of the cholera outbreak on today’s intranational trade relations of the afflicted regions, comparing their situation to the neighboring regions that have not suffered from the epidemic, using a difference-in-difference methodological approach in a gravity-equation for trade and exchange context. Third, the same methodology will be used to assess the impact of the epidemic on international relations.

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