

THE PROXIES OF PROSPERITY: EXAMINING DETERMINANTS OF ECONOMIC
GROWTH THROUGH THE INTERSECTION OF IDEOLOGY AND HISTORY

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Abstract

In the last few centuries, the world has seen unprecedented stratification between economic growth of countries. This study takes a quantitative approach to the role that nationalism and colonial history may play in the economic growth rates of countries. It explains the factors that are linked to nationalism and colonial background and explores the intersection between the two. The effect of these variables on economic growth is measured using cross-sectional data from 74 former European colonies that gained independence after the Second World War, or the year 1945. Using an Ordinary Least Squares (OLS) regression, it was found that region, form of government, and imports have significant effects on economic growth.

KEYWORDS: (Economic Growth, Colonization, Nationalism)

JEL CODES: (O40, F54, Z13)

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Peyton B Tich

Signature

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ABSTRACT

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Introduction

Worldwide economic inequality as it is experienced today is a relatively recent phenomenon. Most of the current world inequality emerged only after the Industrial Revolution in Europe (Acemoglu & Robinson, 2012). Since then, the gap between the world's richest countries and the world's poorest countries has continued to widen and further stratify the global economic landscape. More economically developed countries such as the United States, China, and Japan, account for 24.32 percent, 14.84 percent, and 5.91 percent, respectively, of global GDP. On the other hand, countries that are considered less developed such as Malaysia, Nigeria, and Venezuela account for only 0.4 percent, 0.65 percent, and 0.5 percent respectively (Gramer, 2017). In the last few centuries in particular, the world has seen an unprecedented level of economic growth that, while building many countries up, has also left many countries behind.

The rise in economic growth disparities over the last few centuries has motivated economists and scholars to engage in research aimed at finding an explanation for these developmental differences. Research has pointed to monetary and fiscal policy, political structures, institutions, geography, conflict, and other various potential factors that explain differences in economic growth around the world (Abrams & Lewis, 2012; Bjørnskov, 2005; Knack & Keefer, 1995; Shabhaz, Ahmad, & Chaudhary, 2008). The field has also looked at economic growth in different types of countries: Sub-Saharan African countries, former USSR countries, countries post WWII, etc. (Collier & Gunning, 1999; Grier, 1999; Sachs & Warner, 2001). The search to find determinants of economic growth is far from complete, but theories continue to emerge regarding what may or may not affect changes in a country's GDP.

Some scholars have looked at differences in political structures, ideologies, and policies to explain economic growth or decline. The last few years have seen a revival of nationalism not only in Europe and North America, but also throughout the world. Current and incoming political leaders such as Donald J. Trump of the United States, Jair Bolsonaro of Brazil, and Narendra Modi of India, have been described as leading with nationalist, inward-facing agendas. The widespread rise in nationalist leaders, policies, and sentiments has further promoted research in the field of nationalism. Nationalism continues to be a subject studied both on its own and in its relationship to the economic successes or failures of a country.

Due to its nature as an ideology, nationalism is both hard to define and hard to quantify. The literature provides differing definitions of the term and different ways of identifying, measuring, and analyzing its effects. Through a quantitative statistical approach, this study analyzes the effects of nationalism on economic growth using regression techniques and a series of proxy variables. This study posits the following hypotheses: 1) There is a relationship between nationalism and economic growth rates and 2) Colonial origin and the legacies of colonial influences have an effect on economic growth rates.

This study looks at the role of nationalism in the economic growth of 74 countries, all of which are formerly colonies of European superpowers. This study's importance lends itself to the greater discussion of the roles of both nationalism and history in the economic growth of former colonies in particular. In doing so, the results expand our understanding of contributors and determinants of economic growth by revealing factors that have and have not historically influenced growth trajectories.

Literature Review

One of the most widely researched fields in economics, in particular economic development, is that of what makes some countries grow and other countries stagnate or decline. What factors contribute to the widening gap between the world's economic frontrunners and the countries of the so-called developing world? Many academics have attempted to answer this question. Scholars continue to engage in a wide range of studies regarding the drastic differences in economic growth observed around the world. This literature review will begin by contextualizing this study in the broader literature of economic growth discourse. It will then go on to discuss varying definitions of nationalism, the specific role nationalism may or may not play in economic growth, instruments that have been used to quantify and measure the influence of nationalism on the economic growth or decline of a nation, as well as investigate the intersection between nationalism and state formation following the struggle for independence. It will conclude by identifying the ideas from the literature that form the basis for this study.

Economic Growth and its Potential Determinants

Scholars have identified many channels as drivers of economic growth. Padda and Akram (2009) studied tax policies as a source of economic growth and economic growth differences in South Asian economies. Other studies have looked at political regime changes as accelerators for growth (Pin & De Haan, 2011). Increases in trade and investment have also been correlated with growth acceleration (Hasumann, Pritchett, & Rodrik, 2005). Development in the financial sector, remittances, financial openness, and domestic investment are all said to stimulate economic growth while trade openness and inflation have been found to negatively affect growth (Shabhaz, Ahmad, & Chaudhary,

2008). Abrams and Lewis (1995) argue that free market structures are more conducive to growth as opposed to mixed market structures. Other studies have shown that the degree of property rights in a country is a determinant of economic growth. Using indicators from country risk evaluators to potential foreign investors, Knack and Keefer (1995) find that if protection of property rights is uncertain, investors are likely to reduce or reallocate funds, thus decreasing potential for growth. There is growing interest in the relationship between economic growth and institutions. Acemoglu and Robinson (2012) conclude in their book, *Why Nations Fail*, that differences in institutions, namely extractive versus inclusive institutions, are the driving force for economic growth disparities worldwide. Nawaz, Iqbal, and Khan (2014) also explore institutions as a source of economic growth and find that they are important in determining growth but make the point that economies in different stages of development require different types of institutions to accelerate growth. Bjørnskov (2005) drew conclusions pertaining to the relationship between political ideologies and growth. He found that political ideology has some sort of effect on growth and that part of this effect comes from differences in legal quality and government intervention.

Scholars have also attempted to discover the factors that most heavily contribute to the cross-country growth differences that have been observed over the last few centuries. That is, why have some countries grown and others have not? The theory of the natural resource curse states that countries that are richer in natural resources are more likely to develop slower. This theory has often been used to explain growth disparities between Sub-Saharan Africa and similar regions. Jeffrey D. Sachs and Andrew M. Warner (2001) explain and expand on this by stating that resource-abundant countries

tend to be high-price economies, which causes them to miss out on export led growth. In an analysis of growth in Sub-Saharan African countries, Collier and Gunning (1999) identify the lack of effective policies as the main reason for slow growth in the region. These countries are often characterized by undemocratic governments, a large public employment sector, a lack of education, infrastructural deficiencies, anti-export trade policies, large foreign debts, and overvalued exchange rates. They posit that these, rather than factors out of the countries' control such as geography and climate, are the real reasons this region has grown slower than most of the world (Collier & Gunning, 1999). As the gap between the world's richest countries and the world's poorest countries widens, research into economic growth continues to develop. As more data and information becomes more internationally available, theories of economic growth continue to widen and scholars continue to discover potential contributors that have not been studied before.

Nationalism and Growth

The literature on nationalism comes from a variety of disciplines among which are economics, sociology, and political science. These fields provide a multiplicity of definitions on nationalism. One of the lead voices in the field, Ernest Gellner (1983), describes nationalism as "...the establishment of an anonymous impersonal society, with mutually substitutable atomized individuals, held together above all by a shared culture of this kind, in place of the previous complex structure local groups, sustained by folk cultures reproduced locally and idiosyncratically by the microgroups themselves" (p. 57). A.D. Smith (1983) defines nationalism as, "an ideological movement for the attainment and maintenance of self-government and independence on behalf of a group, some of

whose members conceive it to constitute an actual or potential ‘nation’” (p. 171). For Liah Greenfeld (2003), nationalism is a social consciousness that involves an inclusive image of society, referred to as the “nation,” that reflects a sovereign community of inherently equal members. Some scholars have suggested that nationalism manifests itself uniquely in historically and politically different regions. Upreti (2006) describes nationalism in the context of the “western” world as “...a consciousness among a community leading to its self-assertion and the consequent emergence of a state,” while Marxist nationalism manifests itself in the class struggle. Lastly, he contextualizes nationalism in South Asia as a struggle against colonial powers for independence (Upreti, 2006). For the purpose of this study, nationalism will be defined using Hans Kohn’s concepts in *The Idea of Nationalism. A Study in its Origins and Background*. Kohn (1945) describes nationalism as an act of consciousness that demonstrates itself as resistance or opposition to destruction by an alien power, of the values, systems, and structures of a people.

National ideologies, especially those that influence policy, continue to be a focus of many scholars researching economic growth disparities. Whether nationalism hinders or stimulates economic growth is still a question of debate. There are several differing opinions in the field regarding the effects of nationalism on not only nations’ economies but also on nations as a whole. Nationalism has been infamously credited with starting world wars, mobilizing terror groups, and instigating human rights violations and genocides. Richard Rosecrance (2002) claims that countries that were quick to develop and industrialize, namely Russia, Germany and Japan, surrendered to violent nationalism and in turn helped bring about both World War I and World War II. Gretchen Schrock-

Jacobson (2012) found that nationalism significantly increases the probability that states will initiate interstate wars. On the other hand, Liah Greenfeld (2003) found that nationalism is the factor responsible for "...the reorientation of economic activity toward growth" (p. 60).

The effects of nationalism on economic growth have not only been studied indirectly as mentioned above but also directly through its effect on economic policies. Scholars have related nationalism to trade policies, focus on domestic markets, and disengagement from the global economy. Xiaohuan Lan and Ben G. Li (2015) conducted an empirical study on the relation between nationalism and economic openness in China. They found, in both China and their international extension, that nationalism is negatively related to economic openness. Baldev Raj Nayar (1997) identifies two major problems with heavy protection of the national economy. "While some state protection of the national economy may be justified in relation to external markets, excessive amounts of it can forestall taking advantage of the growth-inducing impulses that the international economy may provide. Similarly, excessive state intervention internally is likely to lead to serious economic distortions" (Nayar, 1997).

Quantifying Nationalism

While manifestations and sentiments of nationalism may seem easy to recognize, it is difficult to quantify an ideology, and scholars are continuing to attempt innovative approaches to record and measure nationalism. Nationalism has been related to several quantifiable measures, among which are trade, ethnicity, and level of violence. Lan and Li's (2015) study provides the framework for an economic approach to nationalism and demonstrates a relationship between nationalism and economic openness. According to

their study, increasing a region's foreign trade reduces its economic interests in its domestic market and thus weakens its nationalism (Lan & Li, 2015). Smith (1998) identifies ethnicity as a central foundation on which nationalism can grow. He sees "...clusters of myths, symbols, memories, values, and traditions emerging from the shared experiences of several generations of cohabiting populations, as the defining cultural elements from which ethnic groups emerged" (p. 192). This sharing of not only myths, symbols, and traditions, but also of a common sense of ancestry, became a cultural resource used by nationalists in the formation of nations. Upreti (2006) discusses how ethnicity was the driving force for nationalism in Europe. "It was cultural homogeneity and ethnic cohesion, which formed the basis for the organization of the homogenous cultural identities into an autonomous nation-state." On the other hand, he claims that in South Asia, "the struggle for independence provided a platform for the growth of a secular nationalism whose primary objective was to bind people together irrespective of caste, creed, ethnicity, language, and religion" (Upreti, 2006). Studies have also been conducted using surveys about perceptions of nationalism in the country (Nam, 2006).

Growth in Former Colonies

There has been a large amount of research regarding economic growth in countries that gained independence in post-WWII era. Scholars have sought to determine if and what the effects of colonization had on countries' growth trajectories. Daron Acemoglu, Simon Johnson, and James A. Robinson (2001) discuss the potential sources of different development trends among former colonies. In an empirical study, they discover that there are many different factors, such as institutions, put in place by the

colonizers, that may have an effect on economic growth (Acemoglu, et al., 2001).

Another study shows that the length of time that colonies were held occupied for had a positive effect on economic growth, meaning the longer a country was a colony, the greater the growth potential (Grier, 1999). Whereas some scholars identify difference in colonial power as a contributor to economic growth disparities, there are many studies that have shown that other factors are more significant contributors to these gaps. In a study using a panel data set of 36 Sub-Saharan African countries, Agbor, Fedderke, and Viegi (2010) state that colonial education policies are the strongest influence on post-independence economic growth. Some scholars report that while direct effects are difficult to pinpoint regarding colonial influences, having colonial presence increased growth potential for countries in all of Africa (Austin, 2010).

Despite the lack of consensus among scholars regarding the effects of nationalism, there seems to be a growing interest in the field, and more research will likely reveal more enlightening relationships. In general, scholars agree that there are large differences in economic growth around the world, and that these disparities originated in the relatively recent past. This study combines research and ideas from the literature on both nationalism and on former colonies. The intersection of these two has been studied in some capacity. Scholars have tied the rise of nationalism to the struggle for independence and the formation of nation-states. According to Hans Kohn (1945), the emergence of nationalism "...is inconceivable without the ideas of popular sovereignty preceding – without a complete revision of the position of the ruler and ruled, of classes and castes" (p. 3). He identifies the beginning of nationalism in conjunction with the birth of the modern nation-state – an integration and rise of the masses into the politics,

culture, and spaces of a world that was previously occupied by only the ruling elite. It comes as no surprise then, that nationalism should be linked not only with the early champions of the formation of nation-states, but also with those countries that found this sense of nationhood in the mid to late 20th century, in response, in part, to the oppressive nature of colonial rule. Upreti (2006) focuses his study on South Asian countries, but still stresses the overall relationship between opposition to colonial rule and the rise of nationalism. He even goes so far as to say that countries, such as Nepal and Bhutan, that were not under colonial rule, though free from the oppressive regimes of the colonizers, ultimately lacked the sense of nationalist ethos that the colonial states gained through their struggle for independence. In a study regarding nationalism in Ghana, Kofi Darkwah (2013) claims that British colonial policy set forth changes to the previously established culture and way of life. These changes, in turn, set the precedent for sources of grievances against the colonial system, ultimately contributing to the development of nationalism in the region.

This study focuses on the synthesis and intersection of literature regarding nationalism and colonial influences on economic growth. As explained in this section, nationalism and the struggle for independence have been historically intertwined. Exploration into these fields not only gives insight into the potential effects of nationalism on economic growth, but also how a country's history may or may not affect its growth trends.

Theory and Model

The empirical model used to test the hypotheses in this study describes the economic growth of a country as a function of its level of conflict, ethnic diversity, imports, and several indicator variables. The level of conflict, ethnic diversity, and imports all serve as proxy variables for nationalism and nationalist policies. The indicator variables include how independence was achieved, the colonial power, continent, and type of government. The model appears below.

$$\text{Economic Growth} = f(C, E, I, ID, CP, R, G)$$

C = Level of conflict

E = Percentage of largest ethnic group

I = Imports as a share of GDP

ID = How independence was achieved

CP = Colonial

R = Region of the world

G = Type of government

A detailed description of the variables appears in the Data and Sources section following. As explained in the Literature Review, the three continuous variables in the model: conflict, ethnic group, and imports, serve as proxy variables for nationalism. Nationalism, in this study, is a state of mind that is fueled by an opposition to an external power. This power aims at challenging the lives, values, customs, etc. of a certain people. The people, in turn, respond by forming a collective resistance to this force. Nationalism has often been linked to economic growth. Interest in the field continues to grow, however, empirical study into the subject is somewhat limited due to the lack of

quantifiable measures of nationalism. Researchers are continuing to find new ways to measure nationalism and other social and political ideologies. While ideas have certainly expanded, it is still difficult to ensure the validity of economic models that lack quantitative, numerical foundations. With proxy variables, it becomes easier to find quantifiable measures of variables that emulate nationalism. Level of conflict, percent share of the largest ethnic group, and imports as a share of GDP are all variables that build on previous explorations into manifestations of nationalist attitudes and sentiments.

A component of this study's definition of nationalism involves opposition to an oppressive power. Thus, this model also expresses economic growth as a function of several indicator variables related to the path a country may take following influence from an external, oppressive force, in this case a colonial power.

Data and Sources

The model will be tested using cross-sectional data collected from a variety of sources. The data has been collected for 74 different countries, all of which gained independence after WWII, or after the year 1945. It is important to note that all 74 countries were former colonies of specifically European imperial powers. The dataset includes 11 countries in Asia, 43 countries in Africa, and 20 countries from the rest of the world, including Europe, the Caribbean, Central and South America, and Oceania. The full list of countries appears in the Appendix. The data for economic growth, imports, and government spending was compiled from the World Bank database. The data for conflict was collected from Uppsala University's Conflict Data Program, or UCDP. Each country's ethnic makeup and form of government was found through the United States Central Intelligence Agency's world fact book. Lastly, each country's colonial power was found through BBC's country profiles.

Dependent Variable

The dependent variable, growth, is the measure for economic growth that the country experienced in the years post-independence. It is measured using a geometric mean of the annual growth rates in GDP over time. The GDP, or gross domestic product, of a country is the monetary value of all final goods and services produced within the country's borders. The data used for this variable was reported in annual growth rates, that is, the percent increase or decrease from the previous year. Unless otherwise specified in the Appendix, this data begins the year the country gained independence and goes until 2017.

Independent Variables

There are three continuous, numerical independent variables: *conflict*, *ethnicgroup*, and *imports*. The variable *conflict* refers to the percentage of years post-independence in which the country had at least one armed conflict. UCDP, the source for this data, defines an armed conflict as a “contested incompatibility that concerns government and/or territory where the use of armed force between two parties, of which at least one is the government of a state, results in at least 25 battle-related deaths in one calendar year” (Uppsala Conflict Data Program, 2018). This variable serves as an indication of the level of violence in the country since independence. Trade policies are usually either focused internally or externally. The variable *imports* measures the percent of GDP comprised of goods and services imported by the country. For the purpose of this study, a higher value in this variable would indicate a more global open market whereas a lower value would indicate a stronger focus on domestic markets and overall nation-centered policy. This value is taken from the 15th year after independence of each country. This year was chosen because the country would likely have established its goals for global participation and trade by this time. Lastly, as mentioned earlier, ethnicity has often been tied to the national identity of a country. The variable *ethnicgroup*, measures the percent share of the largest ethnic group in a given country.

Given the large range of different countries in this study, the model includes several indicator, or factor, variables. Among these are *independence*, *gbr*, *fra*, *oth*, *asia*, *africa*, *restofworld*, *presidential*, *parliamentary*, *monarchy*, and *other*. The variable *independence* describes how the country achieved independence. There are two possible outcomes for this variable: peaceful or violent. Wars of liberation, violent overthrows,

and armed coups are all categorized as “violent” while elections and nonviolent transitions of power are categorized as “peaceful”. Colonial power was also of interest in this study. Countries are categorized as either *gbr* indicating colonization by the British Empire, *fra*, by France, or *oth*, by other European colonial powers such as Portugal, Belgium, etc. The variables *asia*, *africa*, and *restofworld* indicate the continent. Lastly, *presidential*, *parliamentary*, *monarchy*, and *other*, describe the type of government in the countries.

Table 4.1. *Variable Definitions and Descriptive Statistics*

Variable	Definition	μ	σ
economicgrowth	Geometric mean of annual percentage change in Gross Domestic Product (GDP) since independence	0.0406742	0.0191381
percentconflict	Percentage of years post-independence that contained at least one armed conflict	0.1589718	0.2399698
percentethnic	The percent share of the largest ethnic group in a country	0.6091027	0.2790549
imports	Value of all goods and other market services received from the rest of the world as a percentage of GDP (measured in 15th year after independence)	0.4602495	0.3726126

Variable	Definition	Percentage of Observations
<i>gbr</i>	Former colonies of the British Empire	53.95%
<i>fra</i>	Former colonies of France	28.95%
<i>oth</i>	Former colonies of other European powers	17.10%
<i>indpendence</i>	How independence was achieved. Two outcomes: Violent or Peaceful	71.05% peaceful; 28.95% violent
<i>presidential</i>	Includes presidential and semi-presidential republics and presidential democracies. System of government in which there is a head of state (president) that runs the executive branch, which is separate from the legislature.	55.26%

parliamentary	Includes parliamentary democracies, parliamentary republics, and parliamentary constitutional monarchies. System of government in which executive branch is dependent on the legislature.	36.84%
monarchy	Includes constitutional monarchies. System of government in which a group represents the country's national identity and the group's head, the monarch, exercises the role of supreme sovereignty.	5.41%
other	For this dataset includes communist.	2.63%

Estimation and Results

An Ordinary Least Squares (OLS) regression was applied to estimate the effect of the stated variables on economic growth. The regression equation appears below in Equation 1. Many factors may affect the growth paths that countries take, especially those that have undergone shifts in power both politically and economically. This study is aimed at discovering the connection between the variables that appear on the right-hand side of Equation 1 and the overall economic growth since independence, the left-hand side of Equation 1.

$$\begin{aligned}
 \text{growth} = & \beta_0 + \text{independence}\beta_1 + \text{gbr}\beta_2 + \text{oth}\beta_3 + \text{asia}\beta_4 + \text{restofworld}\beta_5 \\
 & + \text{presidential}\beta_6 + \text{parliamentary}\beta_7 + \text{monarchy}\beta_8 + \text{conflict}\beta_9 \\
 & + \text{ethnicgroup}\beta_{10} + \text{imports}\beta_{11}
 \end{aligned}
 \tag{1}$$

The following table reports the regression results. No multicollinearity was found and the estimation technique of OLS assumes normal distribution. Heteroscedasticity was corrected using the robust regression. The p-values appear in parentheses below the coefficient. Significance level is noted when relevant.

Table 5.1. *Results*

Variable	Coefficient (p-value)	Significance Level (if any)
independence - violent	-0.002186 (0.723)	
gbr	0.0026891 (0.504)	
oth	0.0062774 (0.248)	
asia	-0.0009048 (0.908)	
restofworld	-0.269926 (0.000)	***
presidential	-0.0317699 (0.000)	***

parliamentary	-0.0171899	(0.017)	**
monarchy	-0.0322615	(0.004)	***
conflict	0.0157038	(0.065)	
ethnicgroup	-0.0003333	(0.965)	
imports	0.0245339	(0.043)	**
<hr/>			
N		74	
F-stat		12.28	
R ²		53.42%	
Significance Level:		** = 5%, *** = 1% level	

The regression yielded some significant results. There was an adjusted R² value of 0.5342, which means that 53.42% of the variance in the variable growth is explained by the model. Significance was found in five variables: *restofworld*, *presidential*, *parliamentary*, *monarchy*, and *imports*. The variable *restofworld* accounts for countries in the dataset that are neither in Asia nor Africa. The sign of the coefficient for *restofworld* is negative and is more negative than that of *asia*. This means that compared to Africa, countries in Asia grew slower, but grew faster when compared to countries in the rest of the world. Significance was also found for *presidential* and *parliamentary* at the 5% significance level, and *monarchy* at the 1% significance level. The signs for all of these are negative, meaning that these types of government are also negatively related to economic growth. Lastly, *imports*, or the percentage of GDP that is comprised of imported goods and services, was found to be significant. The sign of this variable was positive. In other words, the higher the percentage of GDP made up by imports, the greater the economic growth.

This empirical model supports the hypothesis that some of these variables are significant factors in economic growth. However, there was no significance found for *conflict*. This was an unexpected result as levels of conflict have often been studied in relation to economic growth. There was also no significance found for *ethnicgroup* or *asia*.

Discussion and Implications

This study contributes to the growing body of literature examining economic growth and, more specifically, its determinants. The results expand our understanding of the factors that contribute, and do not contribute, to the disparities in economic growth that the recent past has seen. Estimation and analysis of this empirical model led to three notable findings that have implications for future research in the field.

The first significant finding was regarding the location of the countries. Both the statistical significance of this variable and its negative coefficient suggest that if a country was not in Asia or Africa, it would contribute negatively to economic growth. This is not unexpected as many of the countries that were not in these two regions, such as Caribbean islands, have inherently smaller economies and have historically undergone less drastic changes that would spur growth or decline. This finding was interesting as it tells us that region has had an effect on the economic growth of these countries and it provides a solid foundation for more research into why region has had an effect and how big that effect may be.

It was also found that type of government had a significant effect on the economic growth trajectories of these countries. Attention to form of government and political structures is an extension of previous literature in the field (Acemoglu & Robinson, 2012; Bjørnskov, 2005), and the significance found for this variable contributes to conclusions that governmental and political structures influence growth. The most significant negative effect on economic growth was having a presidential system of government. Most of the extractive and authoritarian governmental systems we still see today would be categorized as presidential. The negative relation between not only this system, but

also the other two in the model: parliamentary and monarchy, suggest that the growth of the countries included in this data is negatively affected when leadership falls into these systems.

Lastly, there was evidence of a positive relationship between economic growth and the share of GDP made up by imports of goods and services. This is expected as higher levels of goods and services coming into a country would undoubtedly raise the growth potential of the economy. On the contrary, this result is somewhat unexpected as many of these countries have grown through development of their internal manufacturing and production of goods and services, which would lead to more export driven economies and more growth potential through sending goods and services out of its borders.

The lack of significance found in some of these variables was interesting as well. As stated in the Results section, being in Asia had a smaller effect on economic growth than being in Africa. This is an interesting finding because many countries in Asia have been characterized by miraculous growth stories in the last few decades. The absence of significance for this variable may be a result of the fact that the dataset only looks at growth rates, not just growth as a whole. It is also important to note that while the dataset includes some fast-growing Asian economies such as Singapore, it excludes larger Asian economic powers such as China and Korea, a consequence of the criteria for the dataset. Furthermore, there was no significance found for level of conflict or for percent share of largest ethnic group. Conflict, especially bigger conflicts such as wars, usually presents the opportunity for countries to rebuild themselves. This finding may be due to the fact that many of the countries that did have armed conflict had similar levels of it. Most countries had either no conflict, or one or two, since independence, or they had a conflict

in most of the years since independence. This bimodal distribution may have contributed to the unexpected lack of significance. In addition, the data used for this variable had a very clear definition of an armed conflict which may have limited the influence of some events that did not meet this particular dataset's criteria.

This study aimed at connecting seemingly separate factors in the economic growth paths of countries. The results produced by the model both shed light on previous research and identify areas for additional explorations. The three findings presented have implications not only for their specific fields but also for the field of economic growth and development as a whole. The intersection of nationalism and colonial history proved, overall, to contribute to growth, yielding significant results for region, governmental structures and inward-focused trade systems. The findings not only provide a basis for understanding how these factors may have contributed to the economic growth disparities of the past and present, but also point to ways in which countries can be grown and developed in the future. The results of this study contribute to an understanding of how attention to region, form of leadership, and engagement or lack thereof in the global economy can improve prosperity outcomes for economic growth across countries.

Limitations and Directions for Future Research

While this study yielded important findings regarding economic growth, it did not do so without limitations, which can also serve as directions for future research.

First, a more comprehensive collection of proxy variables for nationalism would help in seeing the different effects it may have on economic growth. As mentioned in the Data and Sources section, nationalism is hard to quantify and thus proxy variables were used for this study. There were some variables that perhaps belonged theoretically in the

model, such as migration, but were unable to be included due to lack of access to complete data. Both collection of more data surrounding potential proxy variables for nationalism as well as linking other variables to nationalism are both possible areas for future research.

Additionally, this study was limited due to the time frames used for each variable. What began as a panel dataset in the end evolved to a cross-sectional dataset. Some different time frames were used for this study due mostly to lack of data. For example, for percent share of largest ethnic group, most countries have only started reporting that data on a yearly basis for the last decade. Thus, the current percent share of largest ethnic group was used rather than using an average percentage of all years post-independence. In order to form a more holistic model, future research should include longitudinal data collection and reporting for these variables.

Conclusion

This research took a quantitative approach to the role nationalism may or may not play in economic growth rates. Using a cross-sectional dataset and analysis of 74 countries, the study yielded significant results that contribute to overall understanding of determinants of economic growth. This study focused on the intersection between colonial legacies, nationalism, and how the two have influenced the growth histories of these countries. It was found that region, form of government, and imports as a share of GDP significantly affect the economic growth path of these countries. The findings from this study reveal notable relationships between these variables and economic growth, and contribute to our understanding of not only the economic past of the countries, but also the factors that may affect their economic futures.

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Appendix A

Table A.1. *List of Countries in Dataset*

Country	Independence	Country	Independence
Algeria	1963	Malawi	1964
Angola	1975	Malaysia	1957
Antigua and Barbuda	1981	Maldives	1965
Bahamas	1973	Mali	1960
Barbados	1966	Malta	1964
Belize	1981	Mauritania	1960
Benin	1960	Mauritius	1968
Botswana	1966	Morocco	1956
Burkina Faso	1960	Mozambique	1975
Burundi	1962	Myanmar	1948
Cambodia	1953	Niger	1960
Cameroon	1960	Nigeria	1960
Cape Verde	1975	Pakistan	1947
Central African Republic	1960	Papua New Guinea	1975
Chad	1960	Republic of the Congo	1960
Comoros	1975	Rwanda	1962
Cyprus	1960	Saint Kitts and Nevis	1983
Djibouti	1977	Saint Lucia	1979
		Saint Vincent and the Grenadines	1979
Dominica	1978	São Tomé and Príncipe	1975
DRC	1960	Senegal	1960
Equatorial Guinea	1968	Seychelles	1976
Fiji	1970	Sierra Leone	1961
Gabon	1960	Singapore	1959
Gambia	1965	Solomon Islands	1978
Ghana	1957	Sri Lanka	1948
Grenada	1974	Suriname	1975
Guinea	1958	Swaziland	1968
Guinea-Bassau	1973	Tanzania	1961
Guyana	1966	Togo	1960
India	1947	Tonga	1970
Indonesia	1949	Trinidad and Tobago	1962
Ivory Coast	1960	Tunisia	1956
Jamaica	1962	Uganda	1962
Kenya	1963	Vietnam	1945
Kiribati	1979	Zambia	1964
Laos	1953		
Lesotho	1966		
Madagascar	1960		

Table A.2. *Full Regression Output*

Number of obs	=	72
F (11, 60)	=	12.28
Prob > F	=	0.0000
R-squared	=	0.5342
Root MSE	=	0.01406

growth	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
independence						
violent	-0.00219	0.00613	-0.36	0.723	-0.014449	0.0100776
gbr	0.00269	0.00399	0.67	0.504	-0.005306	0.0106847
oth	0.00628	0.00538	1.17	0.248	-0.004484	0.0170397
asia	-0.00090	0.00779	-0.12	0.908	-0.016504	0.0146943
restofworld	-0.02699	0.00553	-4.88	0.000	-0.038057	-0.015927
presidential	-0.03176	0.00820	-3.87	0.000	-0.048177	-0.015362
parliamentary	-0.01719	0.00697	-2.47	0.017	-0.031131	-0.003249
monarchy	-0.03226	0.01067	-3.02	0.004	-0.053606	-0.010918
conflict	0.01570	0.00835	1.88	0.065	-0.000989	0.032397
ethnicgroup	-0.00033	0.00756	-0.04	0.965	-0.015457	0.0147903
imports	0.02453	0.01188	2.06	0.043	0.0007616	0.0483063
_cons	0.05732	0.00792	7.24	0.000	0.0414843	0.0731707

Table A.3. *Test for Multicollinearity*

Variable	VIF	1/VIF
independence	1.91	0.523139
gbr	2.11	0.47362
oth	1.71	0.584568
asia	2.31	0.432613
restofworld	2.21	0.452178
presidential	13.7	0.072975
parliamentary	13.09	0.076372
monarchy	2.68	0.373232
conflict	2.45	0.408823
ethnicgroups	1.85	0.541287
imports	1.81	0.553971
Mean VIF	4.17	

Appendix B

There are some aspects of the data that are important to note. The first is that although some countries would fit the criteria of gaining autonomy after WWII, they were not included as they do not fit the criteria of being conventional, European colonies. Among those are former USSR countries, countries in the UAE, etc.

Additionally, some different time frames were used for the dataset due to lack of data. While independence was gained much earlier, some countries only had data from the last few decades. Consistent data was lacking mostly for the variable *imports* and the dependent variable *economic growth*.