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## Tropics, germs, and crops: how endowments influence economic development

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### Abstract

Does economic development depend on geographic endowments like temperate instead of tropical location, the ecological conditions shaping diseases, or an environment good for grains or certain cash crops? Or do these endowments of tropics, germs, and crops affect economic development only through institutions or policies? We test the endowment, institution, and policy views against each other using cross country evidence. We find evidence that tropics, germs, and crops affect development through institutions. We find no evidence that tropics, germs, and crops affect country incomes directly other than through institutions, nor do we find any effect of policies on development once we control for institutions.

**JEL classification:** O1; N1; F43

**Keywords:** Economic development; Institutions; Geography

### Article Outline

1. Introduction
2. Literature review
  - 2.1. Geography/endowment hypothesis
  - 2.2. Institutions hypothesis
  - 2.3. Policy hypothesis
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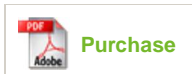
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