

When do imperial legacies fade? Human capital on the Habsburg-Ottoman frontier

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Abstract

This study examines the long-term legacy of imperial rule on human capital. Using a two-dimensional boundary regression discontinuity design along the 1739 Habsburg-Ottoman frontier, we trace the evolution of human capital in Yugoslavia. We find large initial disparities: in 1931, literacy was around 41 percentage points lower on the former Ottoman side of the border. Post-WWII mass schooling substantially narrowed these gaps, but convergence depended on state-minority alignment. Literacy gaps declined sharply in Christian-Orthodox areas, whose populations were incorporated into the successor state's national project, yet persisted in Muslim-populated districts despite common institutions and comparable school infrastructure. Demand-side resistance, rather than supply-side constraints, kept the gap open.

Keywords: Imperial legacies, human capital, literacy, regression discontinuity, Yugoslavia, Habsburg, Ottoman

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