

Uniform Commercial Code and Economic Development: Evidence from Native American Reservations*

Christian Dippel[†] Donna Feir[‡] Bryan Leonard[§] Mark Roark[¶]

May 15 2020

Abstract

Harmonized commercial laws are an essential ingredient to commerce and trade. For this reason, the *uniform commercial code* adopted by all U.S. states in the early 1950s has been called the backbone of American commerce. However, because it was simultaneously adopted across all U.S. states its effects have not been previously causally estimated. In this paper, we provide the first rigorous empirical evidence for the importance of uniform commercial code by studying the gradual adoption of uniform commercial codes on Native American reservations. Reservations gradually began adopting such codes in the early 2000s, and to date about 80 out of a total of over 400 reservations have adopted them. We study the consequences of these adoptions in an annual panel of night-lights luminosity. We estimate the extent to which economic activity increased on reservations with the adoption of UCC, and the extent to which UCC shifts off-reservation economic activity into reservations.

*

[†]University of California, Los Angeles, and NBER

[‡]Minnesota FED (CIDC)

[§]Arizona State

[¶]Southern University Law Center