European
Historical
Economics
Society

EHES WORKING PAPERS IN ECONOMIC HISTORY | NO. 38

The Persistence of de Facto Power: Elites and Economic Development in the US South, 1840-1960

Philipp Ager
Universitat Pompeu Fabra

APRIL 2013

EHES Working Paper | No. 38 | April 2013

The Persistence of de Facto Power: Elites and Economic Development in the US South, 1840-1960

Philipp Ager*
Universitat Pompeu Fabra

Abstract

Wealthy elites may end up retarding economic development for their own interests.
This paper examines how the historical planter elite of the Southern US affected economic development at the county level between 1840 and 1960. To capture the planter elite's potential to exercise de facto power, I construct a new dataset on the personal wealth of the richest Southern planters before the American Civil War. I find that counties with a relatively wealthier planter elite before the Civil War performed significantly worse in the post-war decades and even after World War II. I argue that this is the likely consequence of the planter elite's lack of support for mass schooling. My results suggest that when during Reconstruction the US government abolished slavery and enfranchised the freedmen, the planter elite used their de facto power to maintain their influence over the political system and preserve a plantation economy based on low-skilled labor. In fact, I find that the planter elite was better able to sustain land prices and the production of plantation crops during Reconstruction in counties where they had more de facto power.

Keywords: Long-Run Economic Development, Wealth Inequality, Elites and Development, de Facto and de Jure Power, US South

Acknowledgements:
I am grateful to Antonio Ciccone for his advice and guidance. I am also thankful to Thomas Barnebeck Andersen, Gabrielle Fack, Albrecht Glitz, Rosella Nicolini, Luigi Pascali, Giacomo Ponzetto, Marta Reynal-Querol, Peter Sandholt Jensen, Alessandro Tarozzi, Joachim Voth, Niko Wolf, Yanos Zylberberg and seminar participants at UPF, UAB and the University of Southern Denmark for their generous feedback and suggestions.

* Philipp Ager, PhD Candidate, Universitat Pompeu Fabra, Department of Economics, Ramon Trias Fargas 25-27, 08005 Barcelona, Spain. philipp.ager@upf.edu

Notice
The material presented in the EHES Working Paper Series is property of the author(s) and should be quoted as such. The views expressed in this Paper are those of the author(s) and do not necessarily represent the views of the EHES or its members

1 Introduction

Wealth inequality may slow down economic growth (e.g. Galor and Zeira, 1993; Alesina and Rodrik, 1994; Deininger and Squire, 1998; Aghion et al., 1999). The historical plantation economies in the New World often serve as an extreme example. Although relatively rich in the past, these economies have fallen behind since. One explanation is that the great concentration of wealth in the hands of a small elite promoted the establishment of oppressive institutions which were harmful for modern economic growth (Engerman and Sokoloff, 1997, 2002; Acemoglu et al., 2005; Acemoglu, 2008). Recent research has started to analyze whether historical wealth inequality might have been affecting economic development within the United States (Nunn, 2008; Galor et al., 2009; Ramcharan, 2010). I contribute to this literature by using county-level variation within the US South to examine how the relative wealth of the historical planter elite affected local economic development after the American Civil War and during the 20th century.[1]

Before the American Civil War, a large fraction of Southern wealth belonged to a small number of large plantation owners (Wright, 1970, 1978; Soltow, 1971, 1975). Historians have documented that their great wealth helped the planter elite to retain de facto power over economic institutions and politics after the Civil War, despite legal and political challenges like the abolition of slavery and black enfranchisement for example (Wiener, 1976, 1978; Wright, 1986; Alston and Ferrie, 1999; Ransom and Sutch, 2001). I construct a new dataset on the personal wealth of the richest Southern planters before the Civil War (in 1860) to evaluate the long-run effects of the planter elite's de facto power on local economic development. A key feature of my analysis is a measure of the planter elite's relative wealth at the county level – which I regard as a proxy of their de facto power – based on these personal wealth data.[2]

My empirical analysis points to a significant negative association between the pre-Civil War wealth of the planter elite and levels of labor productivity across Southern counties in the post-war decades and even after World War II. Since my focus is on evaluating the long-run effects of the planter elite's pre-Civil War wealth on local economic development rather than the economic consequences of slavery per se, my empirical specifications always control for the extent to which local economies relied on slave labor before the Civil War.[3] The negative association between the relative wealth of the pre-Civil War planter elite and long-run labor productivity proves to be robust to a wide range of controls for geography and specialization in (certain types of) agriculture. My estimates imply that a two-standard-deviation increase in the relative wealth of the planter elite translates into productivity levels that are about 7 percent lower at the turn of the 19th century and 23 percent lower in 1950.

It is well understood that geography may have long-term effects on economic development (e.g. Diamond, 1997; Gallup et al., 1998; Rappaport and Sachs, 2003; Nunn and Puga, 2012). For example, climate and the types of available soils determine the agri-

[1] The US South had a more unequal wealth distribution in the nineteenth century compared to the northern US states or Cundinamarca a state in Columbia (Acemoglu et al., 2008).

[2] To my best knowledge, this is the first comprehensive dataset on the personal wealth of the Southern planter elite. Below I argue that the planter elite's relative personal wealth reflects the elite's de facto power better than existing measures of wealth inequality based on the farm size distribution.

[3] For evidence on the long-run effects of slavery within the US see, for example, Mitchener and McLean (2003), Lagerlöf (2005), Nunn (2008), and Bertocchi and Dimico (2012).

cultural production possibilities of an economy (e.g. Engerman and Sokoloff, 1997, 2002). I therefore examine whether the negative association between the relative wealth of the planter elite before the Civil War and long-run productivity levels in the US South is robust to a detailed set of controls for the geography, climate, and soil types of counties. I find that controlling for geography does not affect my results. The economic development of counties in the US South may also have been determined by their historical specialization in agriculture, especially in producing large-scale plantation crops like cotton, tobacco, rice, and sugar. For example, high agricultural productivity may have led to high productivity in the past but low productivity in the 20th century as agriculture crowded out manufacturing production and the learning externalities that might come with it (e.g. Matsuyama, 1992). I therefore reexamine the effect of the pre-Civil War planter elite's relative wealth on economic development after controlling for the direct effect of specialization in (large-plantation) agriculture as well as a range of plantation crops. I continue to find a significant negative association between the relative wealth of the planter elite before the Civil War and long-run labor productivity, with a quantitative effect that is similar to my baseline specifications.

The second contribution of this paper is to provide empirical evidence on specific mechanisms through which the planter elite's use of de facto power may have affected Southern economic development after the Civil War. The empirical literature on the determinants of long-run economic growth has documented that underinvestment in human capital is detrimental for economic development (e.g. Barro, 1991; Hanushek and Kimko, 2000; Castelló and Doménech, 2002; Ciccone and Papaioannou, 2009; Becker et al., 2011). Also the theoretical literature on inequality and growth has argued that wealth inequality may delay economic development because of the elite's reluctance to establish human capital promoting institutions (e.g. Galor and Moav, 2006; Galor et al., 2009). I therefore examine whether counties with a relatively wealthier planter elite before the Civil War accumulated less human capital following the Civil War and in the 20th century, controlling for the pre-Civil War illiteracy rate and the extent to which local economies relied on slave labor. My results indicate that illiteracy rates after the Civil War fell more slowly in counties with a relatively wealthier pre-Civil War planter elite. Moreover, I find that in 1940 and 1950 there was a significantly smaller fraction of high-school as well as college educated adults in counties with a wealthier planter elite before the Civil War. I also show that counties with a richer pre-Civil War planter elite were less likely to build so-called Rosenwald schools for black children.[4] Taken together, these results suggest that counties with a richer planter elite before the Civil War remained relative less productive well into the 20th century because of their low levels of human capital investment.

For the planter elite to be able to block reforms against their interests (such as mass education) they needed to maintain their political influence after the Civil War. While legal reforms like the abolition of slavery and black enfranchisement threatened the planter elite's capacity to control Southern institutions, historians have documented that rich planters used their wealth to maintain economic and political influence (Shugg, 1937; Wiener, 1976; Ransom and Sutch, 2001). That is, planters were able to use the de facto power that came with their wealth to substitute for a loss of de jure power (Acemoglu and Robinson,

[4]The Rosenwald Rural Schools Initiative (1914-1931) supported the construction of schools for black children in rural counties in the US South (Aaronson and Mazumder, 2011).

2006, 2008a,b).[5] One way in which the planter elite could have maintained their political influence after the Civil War was to support violent actions against black political representation. For example, Foner (1996, p. xxviii) reports that more than 10 percent of the black officeholders were victims of violence during the Reconstruction period (1865-1877). To investigate whether black officeholders were more likely to be victims of violence in counties where the planter elite was relatively wealthy before the Civil War, I combine my measure of the relative wealth of the planter elite with data from Foner's directory of black officeholders during Reconstruction. My results indicate a positive and statistically significant association between the relative wealth of the pre-Civil War planter elite and violence against black officeholders following the Civil War. This suggests that the planter elite may have used their de facto power to support violent actions against black officeholders.

Moreover, I show that the political influence of the planter elite persisted in the postwar period despite the legal and political reforms accompanying Northern intervention during Reconstruction.[6] I find that 48 percent of the counties in Alabama and Mississippi – two representative states of the so-called Deep South – had county delegates in their constitutional conventions at the beginning and towards the end or following the Reconstruction period with direct family connections to the pre-Civil War planter elite.[7] I also show that family connections between the planter elite and county delegates in the constitutional conventions were more likely when the planter elite was wealthier. This suggests that – in line with Acemoglu and Robinson (2006, 2008a,b) – the planter elite used their de facto power to maintain their influence over the political system and preserve a planter-friendly regime.

One way to examine whether the greater de facto power of wealthier planters allowed them to better defend their interests when legal and political reforms during Reconstruction brought losses to the elite's de jure power is by studying the evolution of land prices during and following the Reconstruction period. Since land prices can be taken to capitalize agricultural profits (e.g. Plantinga et al., 2002; Deschênes and Greenstone, 2007), the planter elite's capacity to defend their (agricultural) interests should show in land prices. I use a difference-in-difference approach to examine the cross-county association between the planter elite's pre-Civil War wealth and land prices during Reconstruction and following the adoption of the new constitutions, when planters managed to partly restore some of their de jure power. I find that during the Reconstruction period, land prices were relatively higher in counties with a wealthier planter elite. This suggests that the planter elite's de facto power allowed them to capture local institutions for their own interest until

[5] Acemoglu and Robinson argue that the underlying distribution of political power in captured economies might persist even if there are frequent changes in political institutions. Legal reforms as in the US South after the Civil War often failed to dismantle the dominant role of the elites, since these elites invested in de facto political power (e.g. by using bribes or violence) to offset their de jure political losses brought by such reforms.

[6] So far there is little comprehensive data on the connections of the pre-Civil War planter elite to local politicians (delegates) after the Civil War. For anecdotal evidence on the political connections of planters after the Civil War see, for example, Moore (1978), Wynee (1986), Billings (1979), Foner and Mahoney (1995), and Cobb (1988).

[7] Both states had their first constitutional convention after the Civil War in 1865. With these constitutions came the so-called "Black Codes" – mainly vagrancy and anti-enticement laws – which intended to restrict black mobility and civil rights of Afro-American citizens. These laws were suspended during Reconstruction by the Reconstructions Acts in 1867. For more details see e.g. Wilson (1965), Cohen (1976), and Foner and Mahoney (1995). The first constitutional conventions after Reconstruction were in Alabama in 1875 and in Mississippi in 1890.

the new constitutions restored some of their de jure power.[8]

My findings on higher land prices are consistent with the so-called paternalistic view of the planters' behavior after the Civil War discussed in Alston and Ferrie (1993, 1999). According to this view, plantation owners offered blacks a set of amenities – such as protection from violence, improved housing, or medical care – in exchange of contractual arrangements that were favorable for plantation production. Alston and Ferrie argue that these paternalistic arrangements were easier to establish by wealthier planters because they required political influence. In line with the paternalistic view, my difference-in-difference analysis also yields that during Reconstruction, counties with a relatively wealthier pre-Civil War planter elite saw an increase in the production of plantation crops relative to all other main field crops grown in the US South (corn, wheat, barley, rye, oats, and sweet potatoes). I also show that there were significantly less lynchings and a higher share of black tenants in counties with a wealthier planter elite.

My work relates to the recent literature on economic inequality and development in the US. Galor et al. (2009) find a negative association between inequality in the farm size distribution and public spending on education at the county level at the beginning of the 20th century. Ramcharan (2010) documents that a more unequal farm size distribution at the county level leads to less redistribution between 1890 and 1930. Looking at the early 20th century, Rajan and Ramcharan (2011) show that counties with a more unequal farm size distribution had fewer banks per capita. On the other hand, Nunn (2008) does not find that a more unequal farm size distribution was detrimental for long-run economic development at the county level. One main difference between these contributions to the literature on the effects of wealth inequality on economic development and my work is that my measure of wealth inequality is based on personal wealth data rather than on data on farm size distributions. The two measures of wealth inequality can differ for two main reasons. First the data on farm sizes do not refer to ownership but to the farm as a unit of production. This is important as farms might have been operated by different tenants but owned by the same person. Farm tenancy was a feature of the US South even before the Civil War (Reid Jr., 1976; Winters, 1987; Bolton, 1994). For example, Bode and Ginter (2008) estimate tenancy rates from 3 to 40 percent for several counties in Georgia before the Civil War.[9] Another reason why my measure of wealth inequality differs from measures based on farm sizes is that my wealth measure also reflects the value of land. This is important if the planter elite tended to own the most valuable land. For my purposes it is therefore preferable to measure wealth inequality using personal wealth data.

Another difference between my work and the existing literature on the effects of wealth inequality in the US South is that my measure of wealth inequality is meant to proxy for the pre-Civil War planter elite's capacity to defend their interests vis-à-vis the rest of the society.[10] Since I am particularly interested in the ability of the planter elite to use their

[8]Once the planter elite largely regained their de jure political power, there were less needs to use de facto power to achieve their main objective: keeping the plantation system going (Wiener, 1976; Ransom and Sutch, 2001; Acemoglu and Robinson, 2008a). The restoration of de jure power should have benefited especially less wealthy planters who did not have the de facto power to sustain a planter-friendly system during the Reconstruction period.

[9]Since wealthy planters – the group of interest in this paper – often owned more than a single plantation (see e.g. Oakes, 1982; Rowland et al., 1996; Scarborough, 2006) an inequality measure based on farm sizes would underestimate their landholdings.

[10]See Engerman and Sokoloff (1997, 2002), Acemoglu et al. (2005), and Acemoglu (2008) for work emphasizing the conflicts of interests between the elite and the masses and the elite's capacity to repress

de facto power in order to repress the rest of the population, it seems sensible to measure wealth inequality by wealth of the planter elite relative to the total wealth in the county. Measures of wealth inequality based on the farm size distribution as used by Nunn (2008), Ramcharan (2010), and Rajan and Ramcharan (2011), seem better suited as a proxy of the distribution of de facto power among landowners.[11] Using the relative wealth of the planter elite as a measure of wealth inequality turns out to be key for my empirical findings. When I rerun the specification after replacing my measure of inequality with the Gini coefficients implied by the farm size distributions in each county, I do not find any statistically significant association between inequality and levels of economic development after the Civil War.

There is also a literature on the long-run effects of slavery on economic development in the US. Using variation across US states for the years 1880 to 1980, Mitchener and McLean (2003) find that the legacy of slavery adversely affects productivity. Nunn (2008) documents a negative link between slavery and current income per capita by examining US state and county level data. Within the US South, Lagerlöf (2005) finds that counties with a larger population share of slaves in 1850 are overall poorer today. However, more recently, Bertocchi and Dimico (2012) do not find any robust link between slavery and current income per capita at the county level (but document an effect on current income inequality).[12] Since my focus is on evaluating the long-run effects of the planter elite's pre-Civil War wealth on local economic development rather than the economic consequences of slavery per se, my empirical specifications always control for the extent to which local economies relied on slave labor.

The remainder of the paper is structured as follows. Section 2 provides a brief overview and discussion of the planter elite in the US South. Section 3 describes the data used in my empirical analysis. Section 4 analyzes the planter elite's impact on the post-war Southern economy. The last section concludes.

2 The Planter Elite in the US South

Historians have documented that a large fraction of wealth was in the hands of large plantation owners in the pre-Civil War South which resulted in a high degree of inequality in the distribution of wealth (Wright, 1970, 2006; Soltow, 1971, 1975; Niemi Jr., 1977).[13] The unequal distribution of wealth was a particularly salient feature of the Southern agricultural sector before the Civil War.[14] The reported average wealth of farmers owning slaves was $33,906 in 1860, about fourteen times larger than the wealth reported by farmers without slaves (see Ransom, 1989, Table 3.1, p. 63). Around 60 percent of the agricultural wealth

others when it is in their interest.

[11] This becomes clear by considering an extreme example where all the land is distributed equally among a few land owners. Looking at the distribution of landholdings would yield to a complete equal distribution. On the other hand, the relative wealth of the farmer elite would depend on the (landless) population in the county, and could indicate great wealth inequality.

[12] On the economics of slavery in the US South see, for example, Fogel and Engerman (1974), Genovese (1988), Ransom and Sutch (2001), Wright (2006), or Wahl (2008) and the references therein.

[13] Soltow (1971, 1975) provides further information on the distribution of wealth in the United States during the 19th century. On race related economic inequality in the postbellum South see, for example, DeCanio (1979).

[14] For example, Acemoglu et al. (2008, Table 5.3) document that land inequality in the US South was considerably higher than in the northern US states in 1860.

was in the hand of the 10 percent richest Southern farmers and, even more strikingly, 24 percent of all wealth belonged to the 2 percent richest farmers (Ransom, 1989, p. 63). The great disparity of agricultural wealth points to the economic power of the richest farmers (planters) before the Civil War. Ownership of slaves accounts for a large part of this large disparity.[15] Slave farms had an average personal estate of $19,828 compared to the $1,188 reported by free farms, and slave farms also had the better land (see Ransom, 1989, Table 3.1, p. 63). For example, in the Cotton South,[16] the value of improved land of slave farms was $46.74 per acre in 1860 and about 3.5 times higher than the per acre value of improved farmland of farms without slaves (see Ransom, 1989, Table 3.2, p. 66).[17] Since wealthy planters tended to own also the better land, it is important that my measure of wealth inequality accounts for the value and not the size of the planter's real estate.

Before the Civil War it was the planter elite – who owned the large Southern plantations and most of the slaves – that controlled Southern politics and institutions (Ransom, 1989).[18] With the adoption of the thirteenth amendment (in 1865), slavery and involuntary servitude were outlawed. The ratification of the fourteenth amendment (in 1868) and the fifteenth amendment (in 1870) granted blacks citizenship and the right to vote.[19] However, despite such major institutional changes, the existing planter elite was able to sustain a plantation-based agricultural system after the Civil War. Economic historians have argued that the reason why the planter elite could maintain economic and political influence after the Civil War was their control over landholdings (Wiener, 1976; Ransom, 1989; Ransom and Sutch, 2001). It was one of the early purposes of the Freedmen's Bureau to distribute land confiscated from former slaveowners to freedmen and finance the construction of black schools and emergency relief by selling the other confiscated property from former slaveowners (Ransom and Sutch, 2001, p. 82). A main setback for the Congress' redistribution

[15]Slaves were a valuable asset during the antebellum period. The price for a prime field hand in historical dollars increased from approximately $600 around 1800 to $1,500 at the eve of the secession (Engerman et al., 2006). The value of a slave just before the Civil War was about $130,000 in 2009 dollars (see Williamson and Cain, 2011). Slave ownership was very concentrated and owning slaves in the South was the exception (Soltow, 1975, Table 5.3). According to the 1860 Census, there were 393,967 slaveholders out of 8.25 million free citizens that owned 3.95 million slaves in the South (Wahl, 2008, Tables 2 and 4) and the largest slaveowners held a disproportionate fraction of slaves within the slaveholder class. For example, in the Cotton South of 1860, large slaveowners with 50 or more slaves occupied one third of the total slave workforce (Wright, 1978, p. 31).

[16]Ransom (1989) refers to the states of Alabama, Georgia, Louisiana, Mississippi, South Carolina and Texas as Cotton South

[17]See also Wright (1970) on the agricultural wealth concentration in the Cotton South for the years 1850 and 1860.

[18]The definition of the Southern planter elite varies in the economic history literature. Fogel and Engerman (1974) or Campbell (1982) define large planters by ownership of slaves for example. Fogel and Engerman define a large planter as slaveholder with at least 50 slaves. Campbell uses a less narrow classification defining large planters as owners of 20 or more slaves. Wiener (1976) defines the planter elite by landownership. According to Wiener, a planter needs to own at least $10,000 in real estate in 1850, $32,000 in 1860 and $10,000 in 1870 to be considered in the planter class.

[19]In general, the freedmen were now able to accumulate wealth and savings, acquire higher skills, start their own businesses (e.g. farming), and engage in politics (see e.g. Ransom and Sutch, 2001). The US Congress founded the Freedmen's Bureau in 1865 to assist the freedmen in daily life. With the help of the Union Army and the Freedmen's Bureau established the Republican administration some new institutions for blacks like a financial saving institution (the Freedman's Saving and Trust Company) and school facilities. Moreover, black candidates were allowed to be elected as delegates for national and state governments and many served as public officeholders in local governments which brought political representation to the Afro-American community (Foner, 1988; Du Bois, 1999).

plans was the Amnesty Proclamation of May 1865, which restored all rights to property except as to slaves, and returned confiscated land to their original owners (Ransom, 1989, p. 234).[20] A bill proposing to grant 40 acres and $50 to every former slave who was head of a household was defeated by the Congress in 1867 (Ransom and Sutch, 2001, p. 82). As Wright (1986, p. 84) noted "*[...] the key to the survival of the plantation was the ability of the former slave owners to hold onto their land in the midst of intense legal and political struggles after 1865. In national politics, the planters successfully blocked proposals for land confiscation and redistribution to the freedmen.*"

In addition to the political resistance against the redistribution of land, many Southern whites were also reluctant to sell land to blacks (Ransom and Sutch, 2001, p. 87). Often the threat of violence against white sellers and prospective black purchasers increased the cost and risk of land sales, preventing black landownership (Ransom and Sutch, 2001, p. 87).[21] That landownership remained extremely concentrated following the Civil War is quite well documented. For example, see the evidence in Shugg (1937) based on Louisiana tax records, and in Wiener (1976) as well as in Ransom and Sutch (2001) based on the real estate holdings reported by the Census enumerators for counties in Alabama.[22] Moreover, there was not only a high degree of persistency in the concentration of landownership, but also persistence in the planter elite's identity. For five black belt counties in Alabama, Wiener (1978, p. 9) finds that 18 of the 25 planters with the largest landholdings in 1870 were in the group of the largest landholders in 1860 and 16 were in the group of the largest landholders in 1850.

Although the planter elite continued to own most of the Southern land, they lost direct control over the black workforce after the Civil War and it became a main challenge for the planter elite to secure black labor (Alston and Kauffman, 2001; Ransom and Sutch, 2001; Naidu, 2010). Planters did not succeed in reintroducing the gang labor system on their plantations (Fogel and Engerman, 1974),[23] they had turned to other labor arrangements such as tenancy and sharecropping (Reid Jr., 1973; Shlomowitz, 1984; Ransom and Sutch, 2001).[24] Southern states responded directly after the Civil War to planters' needs and introduced the so-called Black Codes – mainly vagrancy and anti-enticement laws – which intended to keep black labor immobile (Wilson, 1965; Cohen, 1976).[25] The planter elite also used violent de facto power to keep black labor working on their fields. For example

[20]The only exemption was made on the Sea Islands (a small stripe along the costs of Georgia and South Carolina), where blacks were allowed to keep the confiscated land (Ransom and Sutch, 2001, p. 82).

[21]Mississippi even enacted a law to prohibit black landownership after the Civil War. This law was however quickly overturned by the Freedmen's Bureau (Ransom and Sutch, 2001, p. 87).

[22]Further studies with similar findings on the persistence of landownership are for example Huffman (1974) and Billings (1979).

[23]Engerman and Fogel argue that large-scale plantations employed slave labor in producing stable crops (rice, tobacco, sugarcane and cotton) during the antebellum period more efficiently by using a gang work system. The gang work system allowed slaveholder to allocate slaves efficiently among jobs. According to Fogel and Engerman (1977) gang work started to yield efficiency gains on plantations with 16 slaves or more. On the profitability of the Southern slavery economy see also David and Temin (1979), Wright (1979), and more recently Acemoglu and Wolitzky (2011).

[24]The efficiency of new labor arrangements such as sharecropping is discussed in Reid Jr. (1973), DeCanio (1974), Higgs (1977), and Ransom and Sutch (2001).

[25]Despite the Black Codes were repealed by the 14th amendment during Reconstruction, they were largely reenacted by the Southern Democratic party (Redeemers) after Reconstruction. For example Naidu (2010) shows that the enforcement of anti-enticement laws effectively mitigated recruitment difficulties of planters between 1875 and 1930 by depressing labor mobility and wages.

Wiener (1978, p. 62) writes that *"Planters used Klan terror to keep blacks from leaving the plantation regions, to get them to work, and keep them at work, in the cotton field"*, see also Trelease (1971) and Wiener (1979). Facing the potential threat of violence, freedmen often agreed to keep working on plantations in exchange for protection from Klan terror and other threats (Alston and Ferrie, 1985, 1993, 1999). Alston and Ferrie argue that planters with political influence protected the freedmen and also provided amenities such housing or medical care with the aim of reducing monitoring costs and labor turnover.[26] Since establishing such so-called paternalistic arrangements was cheaper at larger scale and required political influence they were mostly used by wealthier planters.[27]

On the political side, the planter class primarily found its representation in the Southern Democratic Party, which had the objective to restore the "old Southern system" (Key, 1949; Foner, 1988; Stampp, 1965). When the Democratic party – the so-called Redeemers – gradually regained control over Southern politics in the late 1870s, they started to cut taxes and introduced labor and tenancy laws in favor of the landowners (Woodman, 1995; Foner, 1988). Most of the Southern states also reintroduced some of the former Black codes and imposed voting restrictions such as literacy tests and poll taxes, which restricted the political participation of blacks (Key, 1949; Kousser, 1974; Woodward, 1951).[28]

Acemoglu and Robinson (2006, 2008a,b) argue that the Southern elite's exercise of de facto power after the Civil War explains why economic or policy outcomes in the US South were invariant to changes in de jure institutions.[29] It required a series of adverse economic shocks – for example, the boll weevil infestation starting around 1890 (Lange et al., 2009), the Great Mississippi Flood in 1927 (Hornbeck and Naidu, 2012), the extension of the railroad system to the Deep South (Wright, 1986) and the demand for labor during wartime (Henri, 1975; Grossman, 1991) – combined with the introduction of immigration restrictions at the end of World War I to trigger black migration to the northern US states

[26] With the rise of tenancy and sharecropping were many (black) farmers also often tied to their landlords and local merchants by the way they had to finance their business (Ransom and Sutch, 1972, 2001). Local merchants – frequently with strong social ties to the planter class and in many cases the same person as the landlord – supplied credit to small farmers which were in general secured by crop liens. The credit conditions imposed by the merchants forced many of the tenants and sharecroppers into a from of debt peonage, see, for example, Ransom and Sutch (1972, 1975, 2001) and Wiener (1975).

[27] According to Alston and Ferrie (1985, 1993, 1999) emerged paternalistic arrangements as a response to the planter's problem to secure a stable labor supply after the Civil War. It was in the interest of the planters to use their political influence to make paternalistic arrangements more valuable. Planters used their local political power (e.g. by influencing county courts and police) to ensure security for their black workforce. Outside the plantation created the planter elite a hostile legal environment (e.g. black disenfranchisement, low public spending for education, or anti-enticement laws) to impose external threats to black workers with the aim to impede their mobility.

[28] Feldman (2004) documents a drop of registered voters between 1900 and 1903 from 79,311 to just 1,081 in fourteen Black Belt counties of Alabama. More recent studies are Chay and Munshi (2012), who analyze the link between political participation and black mobilization around the Reconstruction Era and Naidu (2012), who examines the political and economic effects of black disenfranchisement in the US South during the 19th century.

[29] More evidence on planters' activities after the Civil War can be found, for example, in Alston and Ferrie (1985), Billings (1979), Shifflett (1982), Wiener (1976, 1978), and Wayne (1983). Moreover, a huge literature studies the economic consequences of emancipation and the subsequent development of the Southern economy after the Civil War (e.g. Engerman, 1971; Higgs, 1971; Goldin, 1973; Ransom and Sutch, 1975, 1979; Irwin, 1994). At the beginning of the 20th century the South was poor and representative of this consensus view like Ransom and Sutch (2001, pp. 174-176) describe the Southern economy as underdeveloped.

at a large scale[30] and a gradual decline of the planter elite's economic and political power (Alston and Ferrie, 1985, 1993, 1999).[31] Still it took until the 1940s for the Southern states to escape the post-emancipation equilibrium and starting to converge towards the productivity levels of other US regions (Wright, 1986, 1999).

3 Data

My measure of the planter elite's ability to exercise de facto power in a county is their relative personal wealth. To calculate the pre-Civil War planter elite's relative personal wealth across counties, I use the US Census to compile an individual-level database on the personal wealth of members of the planter elite – defined as planters who owned at least 100 slaves – just before the American Civil War (1860).[32] The US Census of 1860 reports personal data such as name, address, place of birth, value of real and personal estate and profession of each free person and, in a separate slave schedule, slaveholders are listed together with the slaves they own. This allows me to identify members of the planter elite and their personal wealth. According to the aggregated county statistics of the 1860 Census there are approximately 2,350 slaveholder in the planter elite as I define it. My database contains individual-level information on about 85 percent of these slaveholders.[33]

To compile the individual-level dataset on large planters from the US Census files, I work with the genealogical website *Ancestry.com*. This website provides digitized images from all Census records before 1940 (including the slave schedules), and offers a search engine to locate the slaveholders by first, middle and last name, birthplace and year as well their place of residence. To identify the slaveholders with more than 100 slaves I counted the number of slaves owned by each slaveholder listed in the 1860 slave schedules. I then matched the names of the slaveholders in the slave schedule to the corresponding names reported in the schedule of free inhabitants. For some cases the search engine does not provide correct matches, because of the difficulty to decipher the handwriting of the enumerators. I then tried to match the slaveholders manually. Finally, I collected and entered the value of real and personal estate of each identified slaveholder in my database.

Table 1 reports the descriptive statistics of the members of the planter elite identified in my dataset. In the 1860 Census, the average member of the planter elite was 50 years old, male, worked in the agricultural sector (about 90 percent listed as occupation planter or farmer) and reported on average $101,384 in real estate and $148,598 in personal estate. The average slaveholding was 154 slaves. With $248,320 of total wealth, the average member of the planter elite was 359 times wealthier than an average free person in the

[30] Before World War I, the Kansas Exodus of 1879 is the only known larger scale migration response of Afro-Americans to violence, bad labor conditions, and the loss of civil rights and political representation brought by the Redeemers in the US South (Painter, 1976). Estimates range between 15,000 to 60,000 black migrants (Van Deusen, 1936).

[31] For example Alston and Ferrie argue that the mechanization of the cotton harvest led to a decline of paternalistic arrangements in the US South.

[32] My definition of the planter elite intends to capture the most powerful and wealthiest pre-Civil War planters in the US South and is more narrow than the definitions used in the existing literature, see for example, Fogel and Engerman (1974), Wiener (1976), or Campbell (1982).

[33] I use a less restrictive definition when I could not identify a slaveholder in the Census of 1860. This is the case if there are mistakes by the enumerators like miscounting the number of slaves or if the surname of a slaveholder is impossible to decipher. In this case I include the next largest slaveholder listed in the Census who owns close to 100 slaves (the slaveowner with the smallest holding in my sample lists 81 slaves).

US South in 1860 (the mean wealth is $692; the median wealth is zero).[34] My descriptive statistics of the planter elite highlight that a small number of large plantation owners held a disproportionate fraction of wealth in the US South before the Civil War and resonate with the earlier findings of Wright (1970), Wright (1978), Soltow (1971), and Soltow (1975). The planter elite in my sample – 2006 individuals who made up only 0.02 percent of the population of the US South – owned about 6 percent of the Southern wealth in 1860.

To obtain a measure of relative wealth of the planter elite at the county level, I aggregate the personal wealth of the planter elite in each county and divide it by total county wealth as reported in the aggregated county statistics of the US Census in 1860 (Figure 1 shows the spatial distribution of the relative wealth of the planter elite at the county level). Planters are assigned to their counties of residence in 1860. Hence, my measure of relative wealth of the planter elite can be expressed as

$$WealthPE_{c,1860} = \left(\frac{\sum_{p=1}^{P} WealthPE_{pc,1860}}{Wealth_{c,1860}} \right). \tag{1}$$

Summary statistics are reported in Appendix Table (pp. 54-55). The Data Appendix (pp. 30-35) provides a detailed description of all other variables and data sources used in my empirical analysis.

4 The Planter Elite and the Southern Economy

I use the following baseline estimating equation to empirically investigate the link between the relative wealth of the pre-Civil War planter elite and local economic development across Southern US counties,

$$ln(y_{cs}) = \alpha + \lambda_s + \beta WealthPE_{cs,1860} + \Gamma X_{cs,1860} + u_{cs}. \tag{2}$$

The dependent variable, $ln(y_{cs})$, stands for the ln total value added per worker which is my measure of labor productivity at the county level. I include state fixed effects, λ_s, to capture unobservable time-invariant state characteristics. The main right-hand side variable of interest is the fraction of 1860 wealth owned by the planter elite in county c, $WealthPE_{cs,1860}$, defined in (1). I also include a set of pre-Civil War county characteristics, $X_{cs,1860}$, such as ln slaves, ln population, and ln area, to control for the extent to which local economies relied on slave labor and the county size.

4.1 Direct Effect

Table 2 presents my estimates of the link between the relative wealth of the pre-Civil War planter elite and levels of labor productivity looking at ten-year intervals between 1840 and 1960. The estimating equation is (2) and the method of estimation least squares. Columns (1)-(3) contain the estimates for the years before the Civil War. The estimates show a positive and statistically significant association between the relative wealth of the planter

[34] I retrieved the one percent random sample of the free population for the 1860 Census from the IPUMS (http://www.ipums.org/) to calculate the mean and median wealth of the free Southern population.

elite and total value added per worker between 1840 and 1860. In columns (4)-(12), I present the results for 1870 to 1960. The link between the relative wealth of the historical planter elite and total value added per worker remains positive in the immediate post-war decades 1870 and 1880, but is statistically insignificant. In 1890 there is a flip in the sign of the estimated coefficient on the relative wealth of the planter elite. Starting in 1900 and until 1950, I obtain a negative and statistically significant link between the relative wealth of the historical planter elite and total value added per worker. The point estimate on the relative wealth of the planter elite in 1900 is statistically significant with a p-value of 0.068.[35] And for the period 1920 to 1950 the link between the relative wealth of the planter elite and total value added per worker is at least statistically significant at the 5 percent level. My estimates imply that a two-standard-deviation increase in the relative wealth of the planter elite translates into productivity levels that are about 4 percent lower at the turn of the 19th century and 14 percent lower in 1950. In 1960 the link between the relative wealth of the planter elite and total value added per worker is no longer statistically significant.

Researchers have pointed out that geographic factors affect long-run economic development (e.g. Diamond, 1997; Gallup et al., 1998; Rappaport and Sachs, 2003; Nunn and Puga, 2012). And Engerman and Sokoloff (1997, 2002) argue that climate and soils suitable for the production of plantation crops may have also fostered economic inequality.[36] To address this issue, I add county-specific controls for geography to the baseline estimating equation (2). The set of geographical controls includes mean elevation, standard deviation in elevation, average yearly temperature, average yearly rainfall, 53 different soil types, growing degree days, cotton suitability as well the county's latitude and longitude.[37] Table 3 reports the results on the association between the relative wealth of the planter elite and levels of labor productivity after controlling for geography. Columns (1)-(3) present the results for the decades before the Civil War. The estimated coefficient on the relative wealth of the planter elite between 1840 and 1860 remains positive and statistically significant. In columns (4)-(12) I show the results on the link between the relative wealth of the planter elite and total value added per worker for the 1870-1960 period. The results are similar to Table 2, but quantitatively somewhat stronger. As in the baseline specification the link between the relative wealth of the planter elite and total value added per worker is positive but statistically insignificant in 1870 and 1880. The relationship between the relative wealth of the planter elite and total value added turns negative and statistically significant in 1890, and remains negative and statistically significant for the whole period until 1960. Between 1890 and 1950 the negative association between the relative wealth of the planter and total value added is statistically significant at the 1 percent level. In 1960 the negative association is statistically significant at the 5 percent level. The point estimates imply that a two-standard-deviation increase in the relative wealth of the planter elite translates into productivity levels that are about 7 percent lower at the turn of the 19th century and 27 percent lower in 1950.

To ensure that my results are not driven by the historical specialization in agriculture,

[35] I have no results for the year 1910, since there are no manufacturing data available from the 1910 Census at the county level.

[36] For the relation between geography and economic inequality see, for example, Easterly (2007), Galor et al. (2009), Ramcharan (2010), and Vollrath (2010).

[37] I provide a detailed description of each geographic variable and its source in the Data Appendix (pp. 31-36).

and especially in producing large-scale plantation crops, I add a range of controls that are meant to capture differences in the extent of (large-plantation) agriculture across counties in the US South. These controls are the number of slaves working on large plantations, the fraction of land cultivated by large farms and the shares of Southern plantation crops (i.e. the shares of sugar, cotton, rice and tobacco production).[38] Table 4 contains the results on the link between the relative wealth of the planter elite and levels of labor productivity after controlling for geography as well as the historical specialization in large-plantation agriculture. Although the reported coefficient on the relative wealth of the planter elite for the pre-Civil War years remains positive, see columns (1)-(3), the effect is now only statistically significant in 1840. Columns (4)-(12) show the results on the link between the relative wealth of the planter elite and total value added per worker between 1870 and 1960. As in Table 3, there is a positive, but statistically insignificant, association between the relative wealth of the planter elite and total value added per worker in the immediate post-war decades 1870 and 1880. The relationship between the relative wealth of the planter elite and total value added turns negative and statistically significant in 1890. Between 1890 and 1950 the estimated coefficient on the relative wealth of the planter remains negative and at least statistically significant at the 5 percent level. In 1960 the link between the relative wealth of the planter elite and total value added per worker becomes somewhat weaker and is only statistically significant with a p-value of 0.09. My estimates imply that after controlling for geography and historical specialization in large-plantation agriculture, a two-standard-deviation increase in the relative wealth of the planter elite translates into productivity levels that are about 7 percent lower at the turn of the 19th century and 23 percent lower in 1950.[39]

4.2 The Planter Elite's Lack of Support for Mass Education

The literature on inequality and growth argues that an unequal distribution of wealth may be a hurdle for economic development because of the elite's reluctance to establish human capital promoting institutions (e.g. Deininger and Squire, 1998; Galor and Moav, 2006; Easterly, 2007; Galor et al., 2009). Hence, I am interested in examining whether counties with a relatively wealthier planter elite before the Civil War had higher illiteracy rates (conditional on pre-Civil War illiteracy rates) following the Civil War and at the beginning of the 20th century. Table 5 presents my estimates of the link between the relative wealth of the pre-Civil War planter elite and illiteracy rates after the Civil War between 1870 and 1930.[40] The estimates are based on estimating equation (2). I use the same set of control variables as in Table 4 and also account for the pre-Civil War illiteracy rate in 1860. Between 1870 and 1930 there is a positive and statistically significant association between the relative wealth of the planter elite and illiteracy. Taken together my results indicate that illiteracy rates after the Civil War fell more slowly in counties with a relatively wealthier planter elite and may suggest that planters delayed the convergence of illiteracy

[38] I provide a detailed description of these controls in the Data Appendix (pp. 31-36).

[39] As further robustness check I include the agricultural employment share and ln acres of farmland in 1860 as additional controls to account for the general historical specialization in agriculture of US Southern counties. The estimates are qualitatively similar to Table 4, but the link between the relative wealth of the planter elite and levels of labor productivity remains positive and statistically significant throughout all the pre-Civil War decades. The results are available upon request.

[40] The US Census reported information on literacy until 1930. Furthermore, there are no literacy data available from the 1890 Census at the county level.

rates in counties where they had more de facto power (wealth) before the Civil War.

Table 6 contains the link between the relative wealth of the planter elite and the fraction of high-school as well as college educated adults in 1940 and 1950. The estimates are based on estimating equation (2) using the same set of control variables as in Table 5. Columns (1)-(2) of Table 6 show that there is a negative and statistically significant association between the relative wealth of the planter elite and the fraction of adults with high-school as well as college education in 1940. Columns (3)-(4) report the estimates for 1950. The link between the relative wealth of the planter elite and the fraction of high-school as well as college educated adults remains negative and statistically significant.

Table 7 presents additional evidence indicating that the planter elite may have used their de facto power to block educational improvements after the Civil War. The Rosenwald Rural Schools Initiative supported the construction of schools for black children in rural areas between 1914 and 1931 to improve their educational attainment. The principle of the Rosenwald Fund was to provide help for communities where they received local support by local blacks, state, and county governments (Aaronson and Mazumder, 2011). One might therefore expect to have fewer Rosenwald schools built in counties were the planter elite had more de facto power to coordinate their resistance against black education. Columns (1)-(2) contain the estimates of the link between the relative wealth of the planter elite and the total number of Rosenwald schools built in the county between 1914 and 1931. The estimates are based again on estimating equation (2) using the same set of control variables as in Table 5. The method of estimation is least squares. Column (1) shows that there is a negative and statistically significant association between the relative wealth of the planter elite and the total number of Rosenwald schools built. Since the Rosenwald Rural Schools Initiative intended to improve black education in rural areas, I also control for the pre-Civil War urban share in column (2). The estimated coefficient on the relative wealth of the planter elite remains negative and statistically significant at the 5 percent level. Hence, counties with a relatively wealthier planter elite before the Civil War were less likely to establish Rosenwald schools for black children. Taken together the results in Table 5-7 suggest that counties with a wealthier planter elite before the Civil War saw less human capital investment after the Civil War and during the first part of the 20th century. This could be a main reason why these counties remained relatively less productive well into the 20th century.

Moreover, the aggregated county statistics of the US Census provide information on the illiteracy of black adult men of voting age (age 21 and over) for 1900 to 1920, around the time when Southern states had introduced voting restrictions based on literacy tests and poll taxes (Key, 1949; Kousser, 1974; Naidu, 2012). In Table 8, I find that there is a positive and statistically significant association between the relative wealth of the planter elite and the fraction of illiterate black men of voting age between 1900 and 1920 using the same set of control variables as in Table 5. This again suggests that the planter elite may have used their de facto power to impede mass education. As an important by-product the planter elite's lack of support of mass education may have also facilitated the exclusion of blacks from political participation. Since many of the planters' political opponents were illiterate they could not interfere with the political goals of the planter elite once voting restrictions based on literacy tests were implemented.

4.3 The Planter Elite and the Use of de Facto Power

4.3.1 Violence against Black Officeholders

Intimidation to prevent blacks from participating in the political life after the Civil War was one of the tools used by the planter elite to maintain control over Southern politics and the economy. Foner (1996, p. xxviii) writes regarding black officeholders: *"Numerous Mississippi officials were threatened or driven from their homes during the 1875 campaign [...] Abram Colby, a member of Georgia's legislature was beaten "in the most cruel manner" by Klansmen in 1869. [...] Richard Burke, a minister and teacher in Sumter County, Alabama, who served in the state House of Representatives, was murdered in 1870. [...] In Edgefield County, South Carolina, violence was pervasive throughout Reconstruction."* Overall more than ten percent of the black officeholders were victims of violence during Reconstruction (Foner, 1996, p. xxviii).

Inspired by the anecdotal evidence I use *Foner's directory of Black Officeholders during Reconstruction* to examine whether the use of violence against black officeholder was higher in counties with a wealthier planter elite before the Civil War. This directory recorded over 1,500 black officeholders who served either at the national, state or local level. Foner (1996) also lists the names, county of residence and office positions of black officeholders who were victims of violence during their political career. I use this information to construct two measures of violence against black officeholders. The first measure is a binary variable which is unity if at least one black officeholder was a victim of violence in a county during Reconstruction. My second measure is the total number of black officeholders in a county who were victims of violence during Reconstruction.[41] Column (1) of Table 9 shows the link between the relative wealth of the planter elite and the probability that a black officeholder was a victim of violence using estimating equation (2). The estimated coefficient on the relative wealth of the pre-Civil War planter elite is positive and statistically significant at the 5 percent level. Column (2) reports estimates for the total number of black officeholders in a county who were victims of violence during Reconstruction. The estimated coefficient on the relative wealth of the pre-Civil War planter elite is again positive and statistically significant at the 5 percent level. These results suggest that the planter elite may have used their de facto power to support violent actions against black officeholders.

4.3.2 Political Connections

The journals of the constitutional conventions of several Southern states list the names of all participating delegates together with the counties (districts) they represented. With this information it is possible to evaluate whether the political influence of the planter elite at the county level persisted over time. For Alabama and Mississippi – two Deep South states with cotton-based economies – this information on the delegates can be found in the *Journals of the Proceedings and Debates of the Constitutional Convention* of the states of Alabama (1865, 1875) and Mississippi (1865, 1890).[42] This allows me to investigate the delegates' family connections to the pre-Civil War planter elite. I do this for the delegates that participated in the first constitutional convention after the Civil War as well as for

[41] Foner's directory has no information on black officeholders for the states of Maryland, Missouri, Delaware and Kentucky.

[42] The journals of the proceedings and debates of the constitutional convention of the state of Mississippi (1865, 1890) report in addition the delegates' age, postoffice, nativity, occupation and political preference.

delegates of the first constitutional convention after Reconstruction.

Both states held their first constitutional conventions after the Civil War in 1865. In these conventions the participating delegates introduced the Black Codes and planned the reestablishment of the "old" Southern system. The Black Codes together with the constitutional conventions were suspended by the Reconstruction Acts in 1867 which placed ten former Confederate states under military control and required them to draft a new state constitution.[43] Towards the end or following the Reconstruction period, Alabama held a constitutional convention in 1875 and Mississippi in 1890. These conventions were marked by the Democratic Party's re-establishment of their political control.[44] I use three different selection criteria for the delegates' connections to the pre-Civil War planter elite. First, if the delegate or a direct family member of the same household is listed in the slave schedule as slaveholder (Alternative 1). Second, if the total wealth of the delegate or a direct family member exceeds $10,000 in 1860 (Alternative 2). The third criteria is a combination of the first two alternatives and requires delegates or a direct family member to have at least $10,000 of wealth and being listed as slaveholder in 1860 (Alternative 3).[45] I provide a detailed description of the data and how I linked the delegates to the pre-Civil War planter elite in the Data Appendix (pp. 31-36).

Table 10 contains the descriptive statistics for the constitutional conventions for Alabama and Mississippi. In the constitutional convention of 1865, I find that 78 percent of Alabama's delegates (or direct family members) and 69 percent of the delegates in Mississippi were listed as slaveowners in the slave schedules of the Census in 1860. The later constitutional conventions reveal a similar pattern. In Alabama, 73 percent of the delegates of the constitutional convention of 1875 had direct connections to slaveholders in 1860; in Mississippi, 60 percent of the delegates of the constitutional convention in 1890 had direct connections to slaveholders in 1860. Looking directly at whether the reported wealth of a delegate exceeds $10,000 in the 1860 Census yields similar results. If I use the selection criteria that requires delegates or a direct family member to have at least $10,000 of wealth and being listed as slaveholder in 1860, I obtain that 63 percent of the county delegates of the constitutional convention of Alabama in 1865 had a family connection to the pre-Civil War planter elite; for Mississippi, the corresponding number is 59 percent. In the 1875 constitutional convention in Alabama, 66 percent of the delegates had a family connection to the pre-Civil War planter elite; in the 1890 constitutional convention in Mississippi, 52 percent of the delegates had a family connection to the historical planter elite.

To examine the delegates' connection to the pre-Civil War planter elite at the county level in Alabama and Mississippi, I construct a binary variable, PC_{cs}, for each county in Alabama and Mississippi that takes the value of unity if at least one delegate in both constitutional conventions had a family connection to the planter elite using the most stringent selection criteria (Alternative 3). This indicator variable should reflect the political influence of the pre-Civl War planter elite in the constitutional conventions. I then investigate whether rich delegates with family connections to the planter elite were more likely

[43] Alabama and Mississippi introduced new constitutions in 1868. I do not consider the constitutional conventions in 1868, because delegates in both states were selected under military supervision.

[44] Foner (1996, Table 1) dates the end of Reconstruction in Alabama in 1874 and Mississippi in 1875.

[45] If it was not possible to identify the delegate or a direct family member in the 1860 Census, but in the 1870 Census instead, I use the wealth reported by the enumerators of the Census for the delegate in 1870. Note, that using the reported wealth in 1870 might result in a under selection of delegates since many of them lost a significant fraction of their personal estate due to the abolition of slavery.

in counties with a relatively wealthier planter elite using the following estimation equation

$$PC_{cs} = \alpha + \lambda_s + \beta WealthPE_{cs,1860} + \gamma Delegate_{cs} + \Gamma X_{cs,1860} + u_{cs}. \quad (3)$$

The parameters λ_s are state fixed effects, and the variable of interest, $WealthPE_{cs,1860}$, is defined in (1). As controls I include the average number of county delegates, $Delegate_{cs}$, as well as the ln population and ln area, denoted by $X_{cs,1860}$, to control for the county size. The method of estimation is probit.

In column (1) of Table 11, I show that there is a positive and statistically significant association between the probability that a county is politically captured by the planter elite and the relative wealth of the planter elite.[46] The estimated coefficient on the relative wealth of the planter elite is statistically significant at the 1 percent level. In addition, I re-estimate equation (4) using a county panel specification

$$PC_{cs,t} = \alpha + \lambda_{s,t} + \beta WealthPE_{cs,1860} + \gamma Delegate_{cs,t} + \Gamma X_{cs,1860} + u_{cs,t}. \quad (4)$$

The dependent variable, $PC_{cs,t}$, is again a binary variable that is equal to unity in year t if at least one delegate in the county was listed as a slaveholder and reported more than \$10,000 of wealth in the 1860 Census (Alternative 3). I replace the state fixed effects, λ_s, by time varying state fixed effects, $\lambda_{s,t}$, which capture observable and unobservable time varying characteristics at the state level.[47]

Column (2) of Table 11 reports the link between the relative wealth of the planter elite and the probability of having at least one county delegate with family connections to the planter elite using estimating equation (5). The estimated coefficient on the relative wealth of the planter elite is positive and statistically significant at the 5 percent level. Since some counties were allowed to send more than one delegate to the constitutional conventions, I also examine the link between the number of rich delegates with family connections to the pre-Civil War planter elite and the relative wealth of the planter elite before the Civil War. Column (3) reports the least squares results using the same right-hand-side controls as in column (2). The estimated coefficient on the planter elite's relative wealth is positive and statistically significant at the 1 percent level. Hence, there is a positive and statistically significant association between the relative wealth of the pre-Civil War planter elite and the number of delegates sent to the constitutional conventions that had family connections to planter elite. In line with Acemoglu and Robinson (2006, 2008a,b), my findings suggest that the planter elite used their de facto power to capture local politics in order to preserve a planter-friendly political system in the post-Civil War South.

4.3.3 Land Prices

The planter elite's ability to exercise de facto power should have allowed them to better defend their interests during the Reconstruction period when they had less de jure power. Since historians have documented that planters maintained land ownership after the Civil

[46] I obtain qualitatively similar results when using Alternative 1 and Alternative 2 for the construction of the indicator variable, instead. These results are available upon request.

[47] The constitutional conventions after the Civil War in 1865 are coded as $t = 1$ and the constitutional conventions in 1875 (AL) and in 1890 (MS) are coded as $t = 2$.

War (e.g. Shugg, 1937; Wiener, 1976; Ransom and Sutch, 2001), a main objective of the planter elite should have been to preserve their rents from land. As land prices can be taken to capitalize agricultural profits (e.g. Plantinga et al., 2002; Deschênes and Greenstone, 2007), the planter elite's capacity to defend their (agricultural) interests should show in land prices. To explore whether wealthier planters were better able to defend their interests in times with less de jure power, I therefore compare the evolution of land prices at the county level during Reconstruction, when legal reforms like the abolition of slavery or the enfranchisement of freemen for example brought losses in the elite's de jure power, with the period when Southern states overrode the Reconstruction conventions and planters recouped de jure power. My estimating equation is

$$ln(LP_{cs,t}) = \lambda_c + \lambda_{s,t} + \beta TE_{s,t} \times WealthPE_{cs,1860} + u_{cs,t}. \quad (5)$$

The dependent variable, $ln(LP_{cs,t})$, stands for the ln value of farmland per acre in county c of state s in year t. I also include county fixed effects, λ_c, and time varying state fixed effects, $\lambda_{s,t}$, to capture time-varying state characteristics. $TE_{s,t}$ is a binary variable that takes the value one for all years after the Civil War *and before* the state overrode its Reconstruction convention (the direct effect of the treatment effect, $TE_{s,t}$, is captured by the time-varying state fixed effects).[48] The main variable of interest, $TE_{s,t} \times WealthPE_{cs,1860}$, denotes the interaction of the treatment effect and the relative wealth of the planter elite. If the planter elite was better able to sustain land prices during Reconstruction in counties where they had more de facto power, the estimated coefficient on the interaction term should be positive.

Panel A of Table 12 contains my results on the link between land prices and the planter elite's wealth during Reconstruction and following the adoption of the new constitutions for the decades 1870 to 1930. The method of estimation is least squares. Column (1) shows that during Reconstruction land prices were relatively higher in counties where the planter elite had more de facto power. The estimated coefficient on the interaction term is statistically significant at the 1 percent level. Columns (2)-(3) report the results when I also interact the treatment effect with other pre-Civil War county characteristics, like the reliance on slave labor and county size in column (2) and variables capturing the historical specialization in plantation agriculture in column (3). The estimated coefficient on the relative wealth of the planter elite remains statistically significant at the 1 percent level in both cases.

I also estimate a version of equation (6) that focuses on the sample of contiguous counties that lie on the opposite sides of state borders. The advantage of comparing only contiguous border counties is their similarity, which mitigates the concerns related to the heterogeneity between treatment and control group. To implement this so-called border county approach I need to modify estimating equation (6) by including additional time varying border segment fixed effects. These border segment controls account for common observable and unobservable factors that vary across state border segments over time. The new estimation equation is

[48] For estimating equation (6), I consider a state in the Reconstruction period until the state overrode its Reconstruction convention. A list of the timing of the first constitutional conventions after Reconstruction of each Southern State is available from the author upon request.

$$ln(LP_{bcs,t}) = \lambda_c + \lambda_{b,t} + \lambda_{s,t} + \beta TE_{s,t} \times WealthPE_{cs,1860} + u_{bcs,t} \quad (6)$$

where the main difference to estimation equation (6) is the inclusion of time varying border segment fixed effects $\lambda_{b,t}$ and restricting the sample to border counties.[49] Figure 2 highlights the border counties used in my empirical analysis.[50]

Panel B of Table 12 shows the estimates for the border county approach for 1870 to 1930. The method of estimation is least squares.[51] The results reported in column (1)-(3) are qualitatively similar to Panel A. The estimated coefficient on the interaction term is at least statistically significant at the 5 percent level. The estimates continue to indicate that during Reconstruction, land prices were relatively higher in counties with a wealthier planter elite. This suggests that the planter elite's de facto power allowed them to capture local institutions for their own interest until the new constitutions restored some of their de jure power.

4.3.4 Paternalism

My findings on land prices are consistent with the so-called paternalistic view of the behavior of the planter elite after the Civil War discussed in Alston and Ferrie (1985, 1993, 1999). According to this view, plantation owners offered blacks a set of amenities – such as protection from violence, improved housing or medical care – in exchange of contractual arrangements that were favorable for plantation production. Alston and Ferrie argue that these paternalistic arrangements were easier to establish by wealthier planters because they required political influence. In Panel A of Table 13, I examine whether counties with a wealthier planter elite saw an increase in the production of plantation crops relative to all other main field crops grown in the US South (corn, wheat, barley, rye, oats and sweet potatoes) during Reconstruction using the difference-difference approach of subsection 4.3.3. The estimating equation is (6) and the method of estimation is least squares. Column (1) shows that counties where the planter elite had more de facto power before the Civil War experienced a relative increase in the production of plantation crops compared to other main field crops during Reconstruction. The estimated coefficient on the interaction term is statistically significant at the 1 percent level. This positive association remains statistically significant in columns (2)-(3) where I control for interactions between the treatment effect and pre-Civil War county characteristics like the reliance on slave labor, size and historical specialization in plantation agriculture. Panel B of Table 13 contains the qualitatively similar results using the border county approach based on estimating equation (7).

An important amenity included among the planters' paternalistic arrangements was security from violence and lynching. I calculate the total number of lynchings between

[49] The border county approach follows closely the regression discontinuity design of Black (1999), Dube et al. (2010), Fack and Grenet (2010), and Naidu (2012) for example.

[50] Note that a border county can be in multiple border segments.

[51] To account for within-state over time and within border segment over time correlations I use a two-dimensional clustering at the state and border segment level, see Cameron et al. (2011) for more information on multiway clustering. Hence, my estimates are robust to arbitrary correlation across counties in each US state and across counties in each border segment. The two-dimensional clustering accounts also for the mechanical correlation induced by the presence of a single county in multiple border segments (see e.g. Dube et al., 2010 and Naidu, 2012).

1882 and 1930 for each county in the US South using the dataset of the Historical American Lynching Data Collection Project (HAL) to examine whether there was more security from violence and lynching in counties with a wealthier planter elite. The HAL contains historical data on individual lynchings in ten Southern states between 1882 and 1930.[52] Table 14 contains the results for the link between the planter elite's relative wealth and the number of lynchings at the county level. The estimation equation is (2) and the method of estimation is least squares. I include the same set of control variables as previously in Table 4. Column (1) shows that the estimated coefficient on the relative wealth of the pre-Civil War planter elite is negative and statistically significant at the 1 percent level. In column (2), I restrict the sample to the 1882-1900 period before most of the Southern states introduced barriers to voting. As before, there is a strong negative and statistically significant association between the relative wealth of the pre-Civil War planter elite and the number of lynchings. This suggest that – consistent with the so-called paternalistic view – a relatively wealthier planter elite may have used their de facto power to offer black workers protection from violence.

Planters with more de facto power may have preferred to establish contractual arrangements with black tenants, because the additional paternalistic goods they could offer like protection from violence or housing were especially attractive to them (Alston and Ferrie, 1985, 1993, 1999).[53] In Table 15, I examine whether there was a greater share of black tenants in counties with a relatively wealthier planter elite. My estimates are based on estimation equation (2) and the method of estimation is weighted least squares with weights equal to the farmland of counties. I include the same set of control variables as previously in Table 4. Column (1) contains the results on the link between the relative wealth of the planter elite and the share of black tenants in 1900. The estimated coefficient on the relative wealth of the planter elite is positive and statistically significant at the 1 percent level. Column (2) and (3) divide the tenants into cash or share tenants, respectively. I find that there is a positive and statistically significant association between the relative wealth of the planter elite and the share of black cash tenants in column (2). There is also a positive but somewhat weak link between planters' wealth and the fraction of black share tenants in column (3). The p-value of the point estimate is 0.08. My empirical evidence suggests that there existed relatively more contractual arrangements with black tenants in counties with a relatively wealthier planter elite before the Civil War.

4.4 Further Issues: Measuring Inequality

One important difference between my work and the recent contributions of Nunn (2008), Galor et al. (2009), Ramcharan (2010), and Rajan and Ramcharan (2011) to the literature on the effects of wealth inequality on economic development in the US is that my measure of wealth inequality is based on personal wealth data, whereas these studies use measures of wealth inequality based on data on farm sizes. There are several reasons why for my purposes it is preferable to use data on the personal wealth of planters. First, the data

[52]The data are available at http://people.uncw.edu/hinese/HAL/HAL%20Web%20Page.htm.

[53]Alston and Ferrie (1993, footnote 17) argue that paternalistic arrangements may have been cheaper for planters than using cash. Hence, these arrangements can be regarded as a possibility for planters with more de facto power to funnel rents away from black tenants. For example, Alston and Ferrie (1999, p.30) interpret the higher cash rents per acres paid by black compared to white tenants as evidence of a "paternalism premium" for receiving protection.

on farm sizes does not refer to farm ownership, but to the farm as a unit of production. Historians have documented that farm tenancy was not an unusual form of contractual arrangement in Southern agriculture even before the Civil War (Reid Jr., 1976; Winters, 1987; Bolton, 1994). Tenancy rates for several counties in Georgia before the Civil War varied between 3 to 40 percent for example (Bode and Ginter, 2008). Hence, farms might have been operated by different tenants but owned by the same person. Since wealthy planters often owned more than a single plantation (see e.g. Oakes, 1982; Rowland et al., 1996; Scarborough, 2006), an inequality measure based on farm sizes would tend to underestimate their relative wealth. Second, compared to wealth inequality measures based on farm sizes, my wealth inequality measure also reflects the value of land. This is important if the planter elite also tended to own the most valuable land. Third, the data on farm sizes would not allow me to identify the landholdings of the planter elite – the group of interest in my paper.

Another important difference between my work and the existing work on the effects of wealth inequality in the US South is that my measure of wealth inequality is meant to proxy for the capacity of the elite to repress the rest of the society if it is in their interest, as emphasized by Engerman and Sokoloff (1997, 2002), Acemoglu et al. (2005), and Acemoglu (2008). Whereas the measures of the unequal distribution of farm sizes used by Nunn (2008), Ramcharan (2010), and Rajan and Ramcharan (2011) seem better suited as a proxy of the distribution of de facto power among landowners. Still, in Panel A of Table 16, I replace my measure of the planter elite's relative wealth in estimating equation (2) with the Gini coefficient implied by the farm size distributions in each county.[54] This specification does not yield a statistically significant association between inequality and levels of labor productivity after the Civil War. This continues to be the case when I control for geography and historical specialization in plantation agriculture, see Panel B of Table 16. Finally, I simultaneously include my measure of the relative wealth of the pre-Civil War planter elite and the Gini coefficient implied by the farm size distributions in Panel C of Table 16, controlling also for geography and historical specialization in plantation agriculture. The estimates on the Gini coefficient remains insignificant, whereas there is a negative and significant association between the relative wealth of the planter elite and levels of labor productivity after the Civil War. Overall my results suggest that using the relative wealth of the planter elite as a measure of wealth inequality is key for my empirical findings.[55]

5 Conclusion

I document that the great concentration of wealth in the hands of the planter elite before the American Civil War appears to have been detrimental for subsequent local economic development within the US South. To capture the planter's elite potential to exercise de facto power, I construct a new dataset on the personal wealth of the richest Southern

[54]The Gini coefficient implied by the farm size distributions for 1860 is retrieved from Nathan Nunn's webpage: http://www.economics.harvard.edu/faculty/nunn/data_nunn.

[55]My main result using the measure of the relative wealth of the planter elite as proxy for their de facto power is also robust to including other measures of wealth inequality based on data on farm sizes such as the share of big farms, the fraction of land cultivated by large farms (already included as control variable in my analysis) and the number of large farms constituting 20 percent of all land for example. The results are available upon request.

planters before the Civil War. My estimates imply that the planter elite's ability to exercise de facto power at the local level – proxied by their relative wealth in the county – adversely affected levels of labor productivity in the post-war decades and even after World War II. After controlling for geography and historical specialization in large-plantation agriculture, I find that a two-standard-deviation increase in the relative wealth of the planter elite translates into productivity levels that are about 7 percent lower at the turn of the 19th century and 23 percent lower in 1950.

I argue that the negative association between the relative wealth of the historical planter elite and the long-run economic development of counties in the US South is the likely consequence of the planter elite's lack of support for mass schooling. My results indicate that illiteracy rates after the Civil War fell more slowly in counties with a relatively wealthier planter elite, and that these counties also saw a smaller share of the population attending high school or college in the beginning of the 20th century. I also show that counties with a richer planter elite before the Civil War were less likely to establish so-called Rosenwald schools for black children. My results suggest that more economically powerful planters may have undermined blacks and poor whites capacity to accumulate human capital by delaying the establishment of human-capital promoting institutions.

My results indicate – in line with Acemoglu and Robinson (2006, 2008a,b) – that the planter elite's de facto power allowed them to maintain their economic and political status after the Civil War. In response to legal changes like the abolition of slavery and black enfranchisement during the Reconstruction period, the planter elite used their de facto power to repress black politicians. I also find that the Reconstruction policies failed to curb the political connections of the planter elite. The US South remained a captured economy well into the 20th century with the most adversely affected places being counties where the planter elite was relatively powerful before the Civil War.

References

Aaronson, Daniel and Bhashkar Mazumder, "The Impact of Rosenwald Schools on Black Achievement," *Journal of Political Economy*, 2011, *119* (5), 821–888.

Acemoglu, Daron, "Oligarchic versus Democratic Societies," *Journal of the European Economic Association*, 2008, *6* (1), 1–44.

_ **and Alexander Wolitzky**, "The Economics of Labor Coercion," *Econometrica*, 2011, *79* (2), 555–600.

_ **and James A. Robinson**, "De Facto Political Power and Institutional Persistence," *American Economic Review*, 2006, *96* (2), 325–330.

_ **and** _ , "The Persistence and Change of Institutions in the Americas," *Southern Economic Journal*, 2008, *75* (2), 282–299.

_ **and** _ , "Persistence of Power, Elites, and Institutions," *American Economic Review*, 2008, *98* (1), 267–293.

_ **, María Angélica Bautista, Pablo Querubín, and James A. Robinson**, "Economic and Political Inequality in Development: The Case of Cundinamarc, Columbia," in Elhanan Helpman, ed., *Institutions and Economic Performance*, Harvard University Press, 2008.

_ **, Simon Johnson, and James A. Robinson**, "Institutions as the Fundamental Cause of Long-Run Growth," in Philippe Aghion and Steven Durlauf, eds., *Handbook of Economic Growth*, Elsevier, 2005, pp. 385–472.

Aghion, Philippe, Eve Caroli, and Cecilia García-Peñalosa, "Inequality and Economic Growth: The Perspective of the New Growth Theories," *Journal of Economic Literature*, 1999, *37* (4), 1615–60.

Alesina, Alberto and Dani Rodrik, "Distributive Politics and Economic Growth," *Quarterly Journal of Economics*, 1994, *109* (2), 465–90.

Alston, Lee J. and Joseph P. Ferrie, "Labor Costs, Paternalism, and Loyalty in Southern Agriculture: A Constraint on the Growth of the Welfare State," *Journal of Economic History*, 1985, *45* (1), 95–117.

_ **and** _ , "Paternalism in Agricultural Labor Contracts in the U.S. South: Implications for the Growth of the Welfare State," *American Economic Review*, 1993, *83* (4), 852–876.

_ **and** _ , *Southern Paternalism and the American Welfare State: Economics, Politics, and Institutions in the South*, Cambridge University Press, 1999.

_ **and Kyle Kauffman**, "Competition and the Compensation of Sharecroppers by Race: A View from Plantations in the Early Twentieth Century.," *Explorations in Economic History*, 2001, *38*, 181–194.

Barro, Robert J., "Economic Growth in a Cross Section of Countries," *Quarterly Journal of Economics*, 1991, *106* (2), 407–443.

Becker, Sascha O., Erik Hornung, and Ludger Woessmann, "Education and Catch-up in the Industrial Revolution," *American Economic Journal: Macroeconomics*, 2011, *3* (3), 92–126.

Bertocchi, Graziella and Arcangelo Dimico, "Slavery, Education, and Inequality," 2012. Mimeo.

Billings, Dwight B., *Planters and the Making of a "New South": Class, Politics, and Development in North Carolina, 1865-1900*, University of North Carolina Press, 1979.

Black, Sandra, "Do Better Schools Matter? Parental Valuation of Elementary Education," *The Quarterly Journal of Economics*, 1999, *114* (2), 577–599.

Bode, Frederick A. and Donald E. Ginter, *Farm Tenancy and the Census in Antebellum Georgia*, New Edition, University of Georgia Press, 2008.

Bolton, Charles C., *Poor Whites of the Antebellum South: Tenants and Laborers in Central North Carolina and Northeast Mississippi*, Duke University Press, 1994.

Cameron, A. Colin, Jonah B. Gelbach, and Douglas L. Miller, "Robust Inference with Multiway Clustering," *Journal of Business and Economic Statistics*, 2011, *29* (2), 238–249.

Campbell, Randolph B., "Population Persistence and Social Change in Nineteenth-Century Texas: Harrison County, 1850-1880," *Journal of Southern History*, 1982, *48* (2), 185–204.

Castelló, Amparo and Rafael Doménech, "Human Capital Inequality and Economic Growth: Some New Evidence," *The Economic Journal*, 2002, *112* (478), 187–200.

Chay, Kenneth and Kaivan Munshi, "Black Mobilization After Emancipation: Evidence from Reconstruction and the Great Migration," 2012. Mimeo.

Ciccone, Antonio and Elias Papaioannou, "Human Capital, the Structure of Production, and Growth," *Review of Economics and Statistics*, 2009, *91* (1), 66–82.

Cobb, James C., "Beyond Planters and Industrialists: A New Perspective on the New South," *Journal of Southern History*, 1988, *54* (1), 45–68.

Cohen, William, "Negro Involuntary Servitude in the South, 1865-1940: A Preliminary Analysis," *Journal of Southern History*, 1976, *42* (1), 31–60.

Craig, Lee A. and Thomas Weiss, "Rural Agricultural Workforce by County, 1800 to 1900.," University of Kansas 1998.

David, Paul A. and Peter Temin, "Explaining the Relative Efficiency of Slave Agriculture in the Antebellum South: Comment," *American Economic Review*, 1979, *69* (1), 213–218.

DeCanio, Stephen J., *Agriculture in the Postbellum South: The Economics of Production and Supply*, The MIT Press, 1974.

_ , "Accumulation and Discrimination in the Postbellum South," *Explorations in Economic History*, 1979, *16*, 182–206.

Deininger, Klaus and Lyn Squire, "New Ways of Looking at Old Issues: Inequality and Growth," *Journal of Development Economics*, 1998, *57* (2), 259–287.

Deschênes, Olivier and Michael Greenstone, "The Economic Impacts of Climate Change: Evidence from Agricultural Output and Random Fluctuations in Weather," *American Economic Review*, 2007, *97* (1), 354–385.

Diamond, Jared, *Guns, Germs, and Steel: The Fates of Human Societies*, New York: Norton, 1997.

Du Bois, William Edward Burghardt, *Black Reconstruction in America 1860-1880*, New Edition, Free Press, 1999.

Dube, Arindrajit, T. William Lester, and Michael Reich, "Minimum Wage Effects Across State Borders: Estimates Using Contiguous Counties," *The Review of Economics and Statistics*, 2010, *92* (4), 945–964.

Easterly, William, "Inequality Does Cause Underdevelopment: Insights from a New Instrument," *Journal of Development Economics*, 2007, *84* (2), 755–776.

Engerman, Stanley L., "Some Economic Factors in Southern Backwardness in the Nineteenth Century," in J. F. Kain and J. R. Meyer, eds., *Essays in Regional Economics*, Cambridge: Harvard University Press, 1971, pp. 279–306.

_ **and Kenneth L. Sokoloff**, "Factor Endowments, Institutions, and Differential Path of Growth Among New World Economies: A View from Economic Historians of the United States," in Stephen Harber, ed., *How Latin America Fell Behind*, Stanford University Press: Standford, 1997, pp. 260–304.

_ **and** _ , "Factor Endowments, Inequality, and Path of Development Among New World Economies," NBER Working Paper 9259, 2002.

_ **, Richard Sutch, and Gavin Wright**, "Slavery," in Susan B. Carter, Scott Sigmund Gartner, Michael R. Haines, Alan L. Olmstead, Richard Sutch, and Gavin Wright, eds., *Historical Statistics of the United States, Millennial Edition On Line*, Cambridge University Press, 2006, chapter Bb.

Fack, Gabrielle and Julien Grenet, "When Do Better Schools Raise Housing Prices? Evidence from Paris Public and Private Schools," *The Journal of Public Economics*, 2010, *94* (1-2), 59–77.

Feldman, Glenn, *The Disfranchisement Myth: Poor Whites and Suffrage Restriction in Alabama*, University of Georgia Press, 2004.

Fogel, Robert W. and Stanley L. Engerman, *Time on the Cross: The Economics of American Negro Slavery*, Boston: Little Brown, 1974.

_ **and** _ , "Explaining the Relative Efficiency of Slave Agriculture in the Antebellum South," *American Economic Review*, 1977, *67* (3), 275–296.

Foner, Eric, *Reconstruction: America's Unfinished Revolution, 1863-1877*, Haper & Row, 1988.

_ , *Freedom's Lawmakers: A Directory of Black Officeholders during Reconstruction*, 2nd ed., Louisiana State University Press, 1996.

_ **and Olivia Mahoney**, *America's Reconstruction: People and Politics After the Civil War*, HarperPerennial, 1995.

Gallup, John L., Andrew D. Mellinger, and Jeffrey D. Sachs, "Geography and Economic Development," NBER Working Paper 6849, 1998.

Galor, Oded and Joseph Zeira, "Income Distribution and Macroeconomics," *Review of Economic Studies*, 1993, *60* (1), 35–52.

_ **and Omer Moav**, "Das Human-Kapital: A Theory of the Demise of the Class Structure," *Review of Economic Studies*, 2006, *73* (1), 85–117.

_ **,** _ **, and Dietrich Vollrath**, "Inequality in Landownership, the Emergence of Human-Capital Promoting Institutions, and the Great Divergence," *Review of Economic Studies*, 2009, *76*, 143–179.

Genovese, Eugene D., *The Political Economy of Slavery: Studies in the Economy and Society of the Slave South*, 2nd ed., Wesleyan University Press, 1988.

Goldin, Claudia, "The Economics of Emancipation," *Journal of Economic History*, 1973, *33* (1), 66–85.

Grossman, James R., *Land of Hope: Chicago, Black Southerners, and the Great Migration*, University of Chicago Press, 1991.

Haines, Michael R., "Historical, Demographic, Economic, and Social Data: The United States, 1790-2002. ICPSR02896-v3.," Ann Arbor, MI: Inter-university Consortium for Political and Social Research [distributor], 2010-05-21. doi:10.3886/ICPSR02896.v3 2010.

Hanushek, Eric A. and Dennis D. Kimko, "Schooling, Labor-Force Quality, and the Growth of Nations," *American Economic Review*, 2000, *90* (5), 1184–1208.

Henri, Florette, *Black Migration: Movement North, 1900-1920*, New York: Anchor Press, 1975.

Higgs, Robert, *The Transformation of the Amercian Economy, 1865-1914: An Essay in Interpretation*, New York: Wiley, 1971.

_ , *Competition and Coercion: Blacks in the American Economy, 1865-1914*, Cambridge University Press, 1977.

Hornbeck, Richard and Suresh Naidu, "When the Levee Breaks: Black Migration and Economic Development in the American South," 2012. NBER Working Paper No. 18296.

Huffman, Frank J., "Old South, New South: Continuity and Change in a Georgia County, 1850-1880." PhD dissertation, Yale University 1974.

Irwin, James R., "Explaining the Decline in Southern per Capita Output after Emancipation," *Explorations in Economic History*, 1994, *31* (3), 336–356.

Key, Valdimer Orlando, *Southern Politics: In State and Nation*, A. A. Knopf, 1949.

Kousser, J. Morgan, *The Shaping of Southern Politics: Suffrage Restrictions and the Establishment of the One-Party South, 1880-1910*, New Haven, CT: Yale University Press, 1974.

Lagerlöf, Nils-Petter, "Geography, institutions, and growth: the United States as a Microcosm," 2005. Mimeo.

Lange, Fabian, Alan L. Olmstead, and Paul W. Rhode, "The Impact of the Boll Weevil, 1892-1932," *Journal of Economic History*, 2009, *69* (3), 685–718.

Matsuyama, Kiminori, "Agricultural Productivity, Comparitive Advantage, and Economic Growth," *Journal of Economic Theory*, 1992, *58* (2), 317–334.

Mitchener, Kris James and Ian W. McLean, "The Productivity of US States since 1880," *Journal of Economic Growth*, 2003, *8* (1), 73–114.

Moore, James Tice, "Redeemers Reconsidered: Change and Continuity in the Democratic South, 1870-1900," *Journal of Southern History*, 1978, *44* (3), 357–378.

Naidu, Suresh, "Recruitment Restrictions and Labor Markets: Evidence from the Postbellum U.S. South," *Journal of Labor Economics*, 2010, *28* (2), 413–445.

_ , "Suffrage, Schooling, and Sorting in the Post-Bellum U.S. South," 2012. Mimeo.

Niemi Jr., Albert W., "Inequality in the Distribution of Slave Wealth: The Cotton South and Other Southern Agricultural Regions," *Journal of Economic History*, 1977, *37* (3), 747–754.

Nunn, Nathan, "Slavery, Inequality, and Economic Development in the Americas: An Examination of the Engerman-Sokoloff Hypothesis," in Elhanan Helpman, ed., *Institutions and Economic Performance*, Harvard University Press, 2008, pp. 148–180.

_ **and Diego Puga**, "Ruggedness: The Blessing of Bad Geography in Africa," *Review of Economics and Statistics*, 2012, *94* (1), 20–36.

Oakes, James, *The Ruling Race: A History of American Slaveholders*, Norton, 1982.

Painter, Nell Irvin, *Exodusters: Black Migration to Kansas After Reconstruction*, New York: Alfred A. Knopf, 1976.

Plantinga, Andrew J., Ruben N. Lubowski, and Robert N. Stavins, "The effects of potential land development on agricultural land prices," *Journal of Urban Economics*, 2002, *52* (3), 561–581.

Rajan, Raghuram G. and Rodney Ramcharan, "Land and Credit: A Study of the Political Economy in Banking in the United States in the Early 20th Century," *The Journal of Finance*, 2011, *66* (6), 1895–1931.

Ramcharan, Rodney, "Inequality and Redistribution: Evidence from U.S. Counties and States, 1890-1930," *Review of Economics and Statistics*, 2010, *92* (4), 729–744.

Ransom, Roger L., *Conflict and Compromise: The Political Economy of Slavery, Emancipation and the American Civil War*, Cambridge University Press, 1989.

_ **and Richard Sutch**, "Debt Peonage in the Cotton South After the Civil War," *Journal of Economic History*, 1972, *32* (3), 641–669.

_ **and** _ , "The Impact of the Civil War and of Emancipation on Southern Agriculture," *Explorations in Economic History*, 1975, *12* (1), 1–28.

_ **and** _ , "Growth and Welfare in the American South of the Nineteenth Century," *Explorations in Economic History*, 1979, *16* (2), 207–236.

_ **and** _ , *One Kind of Freedom: The Economic Consequences of Emancipation*, 2nd ed., Cambridge University Press, 2001.

Rappaport, Jordan and Jeffrey D. Sachs, "The United States as a Coastal Nation," *Journal of Economic Growth*, 2003, *8* (1), 5–46.

Reid Jr., Joseph D., "Sharecropping As An Understandable Market Response: The Post-Bellum South," *Journal of Economic History*, 1973, *33* (1), 106–130.

_ , "Antebellum Southern Rental Contracts," *Explorations in Economic History*, 1976, *13* (1), 69–83.

Rowland, Lawrence S., Alexander Moore, and George C. Rogers Jr., *The History of Beaufort County, South Carolina: 1514-1861*, University of South Carolina Press, 1996.

Ruggles, Steven, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek., "Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis: University of Minnesota, 2010.," 2010.

Scarborough, William Kauffman, *Masters of the Big House: Elite Slaveholders of the Mid-Nineteenth-Century South*, LSU Press, 2006.

Shifflett, Crandall A., *Patronage and Poverty in the Tobacco South: Louisa County, Virginia, 1860-1890*, Knoxville: University of Tennessee Press, 1982.

Shlomowitz, Ralph, ""Bound" or "Free"? Black Labor in Cotton and Sugarcane Farming, 1865-1880," *Journal of Southern History*, 1984, *50* (4), 569–596.

Shugg, Roger Wallace, "Survival of the Plantation System in Louisiana," *Journal of Southern History*, 1937, *3* (3), 311–325.

Soltow, Lee, "Economic Inequality in the United States in the Period from 1790 to 1860," *Journal of Economic History*, 1971, *31* (4), 822–839.

_ , *Men and Wealth in the United States, 1850-1870*, New Haven, CT: Yale University Press, 1975.

Stampp, Kenneth M., *The Era of Reconstruction, 1865-1877*, Vintage Books, 1965.

Trelease, Allen W., *White Terror: The Ku Klux Klan Conspiracy and Southern Reconstruction*, Harper & Row, 1971.

Van Deusen, John G., "The Exodus of 1879," *The Journal of Negro History*, 1936, *21* (2), 111–129.

Vollrath, Dietrich, "Geographic Elements of Farm Size Inequality in the United States," 2010. Mimeo.

Wahl, Jenny, "Slavery in the United States," EH.Net Encyclopedia, edited by Robert Whaples. http://eh.net/encyclopedia/article/wahl.slavery.us 2008.

Wayne, Michael, *The Reshaping of Plantation Society: The Natchez District, 1860-1880*, Baton Rouge, LA: Louisiana State University Press, 1983.

Wiener, Jonathan M., "Planter-Merchant Conflict in Reconstruction Alabama," *Past & Present*, 1975, *68*, 73–94.

_ , "Planter Persistence and Social Change: Alabama, 1850-1870," *The Journal of Interdisciplinary History*, 1976, *7* (2), 235–260.

_ , *Social Origins of the New South: Alabama 1860-1885*, Baton Rouge, LA: Louisiana State University Press, 1978.

_ , "Class Structure and Economic Development in the American South, 1865-1955," *The American Historical Review*, 1979, *84* (4), 970–992.

Williamson, Samuel H. and Louis P. Cain, "MeasuringSlavery in $2009," Measuring-Worth: http://www.measuringworth.com/slavery.php 2011.

Wilson, Theodore Brantner, *The Black Codes of the South*, University of Alabama Press, 1965.

Winters, Donald L., "The Agricultural Ladder in Southern Agriculture: Tennessee, 1850-1870," *Agricultural History*, 1987, *61* (3), 36–52.

Woodman, Harold D., *New South, New Law: The Legal Foundations of Credit and Labor Relations in the Postbellum Agricultural South*, Louisiana State University Press, 1995.

Woodward, C. Vann, *Origins of the New South, 1877-1913*, Louisiana State University Press, 1951.

Wright, Gavin, ""Economic Democracy" and the Concentration of Agricultural Wealth in the Cotton South, 1850-1860," *Agricultural History*, 1970, *44* (1), 63–93.

_ , *The Political Economy of the Cotton South: Households, Markets, and Wealth in the Nineteenth Century*, Norton, 1978.

_ , "The Efficiency of Slavery: Another Interpretation," *American Economic Review*, 1979, *69* (1), 219–226.

_ , *Old South, New South: Revolutions in the Southern Economy Since the Civil War*, Basic Books, 1986.

_ , "The Civil Rights Revolution as Economic History," *Journal of Economic History*, 1999, *59* (2), 267–289.

_ , *Slavery and American Economic Development*, LSU Press, 2006.

Wynee, Lewis Nicholas, *The Continuity of Cotton: Planter Politics in Georgia, 1865-1892*, Macon, GA: Mercer University Press, 1986.

Appendix: Data Appendix

Dependent Variables

Dependent Variables (1)

VARIABLE	YEARS	DESCRIPTION
Total Value Added per Worker	1860-1960	Total value added per worker in logarithmic units is constructed as the sum of manufacturing value added (i.e. output minus the cost of materials) and agricultural output per worker (in the agricultural and manufacturing sector) at the county level. The data for manufacturing value added and agricultural output come from the US Census and are retrieved from the ICPSR file 2896 (Haines, 2010). For 1910, there are no manufacturing Census data available at the county level. The data for agricultural workers come from Craig and Weiss (1998) for the years 1860 to 1900. For the years 1910 to 1920 data are taken from the IPUMS-US database by aggregating information from variable *ind1950* on agricultural workers (industry classification 105) at the county level (Ruggles et al., 2010). The Census data on rural farm population is used as proxy for agricultural workers for the years 1930 to 1960 (ICPSR 2896). Data on manufacturing workers are retrieved form the ICPSR 2896 file.
Illiteracy Rate	1870-1930	Fraction of the population who cannot read and write. For the years 1870 and 1880, I construct the illiteracy rate using the Census data provided by the IPUMS-US. In 1890, there is no information on literacy at the county level. For the years 1900 to 1930 the illiteracy rate is retrieved from the ICPSR 2896 file. The US Census 1900-1920 provides also information on illiterate males of voting age by race at the county level (ICPSR 2896).
Number of Rosenwald Schools	1914-1931	Data on Rosenwald Schools are retrieved from the data archive of Aaronson and Mazumder (2011) provided by the Journal of Political Economy. The dataset contains all Rosenwald Schools which opened during the period 1914-1931 at the county level. For more information see Section 4.2 and Aaronson and Mazumder (2011).

Dependent Variables (2)		
Share of Adults with Higher Education	1940-1950	Fraction of adults over age 25 with high school or college degree at the county level (ICPSR 2896).
Violence against Black Officeholder	1865-1877	I use Foner's (1996) directory of black officeholder during Reconstruction to compile data on black officeholders who became victims of violence during Reconstruction (see also Section 4.3.1).
Members of the Constitutional Convention	1865-1890	The Journals of the Proceedings and Debates of the Constitutional Convention for the states of Alabama (1865, 1875) and Mississippi (1865, 1890) listed for each constitutional convention the name of each participant and the corresponding county (district) the delegate represented. I connect the listed delegates to the nearest compiled US Census before or after a constitutional convention took place to obtain additional personal information about the delegates such as their age, birthplace, occupation and the birthplace of their parents (for the delegates of the constitutional convention in 1865 I use either the Census of 1860 or 1870, for the convention in Alabama in 1875 the Census of 1870 or 1880, and for the convention in Mississippi in 1890 I use the Census of the same year). Afterwards, I link the delegates to the Census of 1860 in order to verify whether the delegate himself or a direct family member – i.e. the delegate's wife, his parents or any other relative listed in the *same* household – is connected to the planter class (I do not consider whether the delegate had a connection to the planter class via siblings or other relatives such as uncles or the father in law unless they are listed in the same household as the delegate in 1860. My genealogical research is therefore a conservative estimate of the delegates' family connections to the planter class.) If it is impossible to identify the delegate or its direct family members in the 1860 Census but in the 1870 Census instead, I use the wealth reported by the enumerators of the Census for the delegate in 1870 (note, that using the reported wealth in 1870 might result in a under selection of delegates since many of them lost a significant fraction of their personal estate due to the abolition of slavery). See Section 3 for a detailed description of the 1860 Census.

Dependent Variables (3)		
Values of Farmland per Acres in $	1860-1930	Values of farmland and buildings per acre (ICPSR 2896, part 106).
Plantation Crops Ratio	1870-1900	The ratio of plantation crops (cotton, sugarcane, rice and tobacco) to non-plantation crops (wheat, rye, corn, oats, sweat potato and barley) is calculated as the sum over each individual planation crop measured by quantity and multiplied by its price divided by the sum over each non-plantation crop measured by quantity and multiplied by its price (I use the individual crop prices of 1860), see ICPSR file 2896.
Number of Lynchings	1880-1930	I construct the number of lynchings at the county level using the information provided by the Historical American Lynching Data Collection Project (HAL). For more information see also Section 4.3.4 and the HAL website http://people.uncw.edu/hinese/.
Share of Black Tenants	1900	The share of black tenants in 1900 (ICPSR 2896).

Control Variables

Control Variables (1)

VARIABLE	YEARS	DESCRIPTION
Population	1860	Total county population in 1860 (ICPSR 2896).
Slaves	1860	Total number of slaves in a county in 1860 (ICPSR 2896).
Area	1880	County area in square miles (ICPSR 2896).
Slaves on Large Plantations	1860	Number of slaves living in holdings with 50 and more slaves. I assume that these slaves work on large plantations. I obtain the number of slaves living in large holdings by taking the median bin size of slaves in every slaveholder category above 50 slaves multiplied by the number of slaveholders in each category. The slaveholder categories with more than 50 slaves listed in the Census are the number of slaveholders with 50-69, 70-99, 100-199, 200-299, 300-499, 500-999, and with 1000 and more slaves (see ICPSR 2896). The variable is taken in logarithmic units as ln (Slaves Large Plantations + 1).
Share of Farmland Large Farms	1860	The fraction of farmland cultivated by large farms is obtained by using the median bin size of farmland multiplied by the number of farms of the following categories: farms with 500 to 999 acres and farms with 1000 acres and more (see ICPSR 2896). For the latter category, I assume that each farm is exactly 1000 acres.

Control Variables (2)

VARIABLE	YEARS	DESCRIPTION
Share Cotton	1860	The share of cotton production in 1860 is calculated as the value of cotton output in bales over the total sum of the following crops produced in a county: tobacco, rice, cotton, sugarcane, wheat, rye, corn, oats, sweat potato and barley. To obtain the crop output in dollars, I multiply each crop with its price in 1860 (see ICPSR 2896).
Share Sugar	1860	The share of sugarcane production in 1860 is calculated as the value of sugarcane output in hogsheads over the total sum of the following crops produced in a county: tobacco, rice, cotton, sugarcane, wheat, rye, corn, oats, sweat potato and barley. To obtain the crop output in dollars, I multiply each crop with its price in 1860 (see ICPSR 2896).
Share Rice	1860	The share of rice production in 1860 is calculated as the value of rice output in pounds over the total sum of the following crops produced in a county: tobacco, rice, cotton, sugarcane, wheat, rye, corn, oats, sweat potato and barley. To obtain the crop output in dollars, I multiply each crop with its price in 1860 (see ICPSR 2896).
Share Tobacco	1860	The share of tobacco production in 1860 is calculated as the value of tobacco output in pounds over the total sum of the following crops produced in a county: tobacco, rice, cotton, sugarcane, wheat, rye, corn, oats, sweat potato and barley. To obtain the crop output in dollars, I multiply each crop with its price in 1860 (see ICPSR 2896).

Control Variables (Continued)

Climate Data: The precipitation and temperature data come from the PRISM climate group.[56] The PRISM provides for each month since 1895 precipitation and temperature data for the Conterminous United States at a 4x4 km grid size. For each month since 1895 the grid data is mapped into counties which yields to monthly precipitation and temperature data at the county level using historical county boundaries. For this paper, I use the average yearly temperature and average yearly precipitation over the period 1895-2000 to proxy for average climate characteristics at the county level. Since cotton production was one of the most salient agricultural features in the US South during the 19th century, I control also for the growing degree days and a measure of cotton suitability at the county level. Growing degree days are an important information for crop choice and are calculated as the time span between last frost in spring and first frost in fall measured in days using the Julian calendar. Cotton suitability measures the suitability of rainfall in a county for cotton production. For each county, I include also the geographical coordinates (latitude and longitude) of the county centroids. The measures of the growing degree days, cotton suitability and the geographical coordinates are downloaded from Dietrich Vollrath's website.[57] A detailed description of the datasource used and the construction of the cotton suitability measure and the growing degree days can be found in Vollrath (2010, pp. 32-34).

Soil and Elevation Data: The soil data comes from the United States Department of Agriculture SSURGO database and contains the soil taxonomy at different resolutions for the Conterminous United States.[58] For this paper I use the soil types at the suborder level. The suborder level classifies the soil types into 53 different categories. The soil data is mapped into counties using historical county boundaries. With this information at hand I construct the corresponding share of land of a county which falls into different soil categories. The Environmental System Research Institute (www.esri.com) is the source of the elevation data. In the paper I control for average elevation and the standard deviation of elevation at the county level.[59]

[56] www.prism.oregonstate.edu.

[57] For more details see https://sites.google.com/site/dietrichvollrath/Home/geogwealth.

[58] For more details see http://soils.usda.gov/surveys/geography/ssurgo/.

[59] I thank Antonio Ciccone for sharing the climate, soil and elevation data.

Figures and Tables

TABLE 1
DESCRIPTIVE STATISTICS: MEMBERS OF THE PLANTER ELITE

Members of the Planter Elite	***Obs***	***Mean***
Age	1874	50.77
Real Estate in 1860 Dollars	1970	$101,384.30
Personal Estate in 1860 Dollars	1963	$148,597.90
Slaves Owned	2006	154.21
Gender	***Freq.***	***Percent***
Female	135	7.11
Male	1765	92.89
Birthplace	***Freq.***	***Percent***
South Carolina	494	27.23
Virginia	249	13.73
Georgia	233	12.84
North Carolina	221	12.18
Mississippi	153	8.43
Louisiana	145	7.99
Tennessee	63	3.47
Alabama	57	3.14
Kentucky	40	2.21
Maryland	39	2.15
Other	120	6.62
Occupation	***Freq.***	***Percent***
Farmer	897	47.51
Planter	806	42.69
Estate	42	2.22
Merchant	24	1.27
Lawyer	23	1.22
Physician	21	1.11
Other	75	3.97
Wealth of Planter Elite vs. Average Free Person		
Wealth Average Member of the Planter Elite		$248,319.80
Wealth Average Free Person		$692.00
Ratio		358.84
Comparison to US South Population		**Percent**
Fraction of Wealth Owned		6
Fraction of Total Population		0.02

Figure 1: Relative Wealth of the Planter Elite in 1860

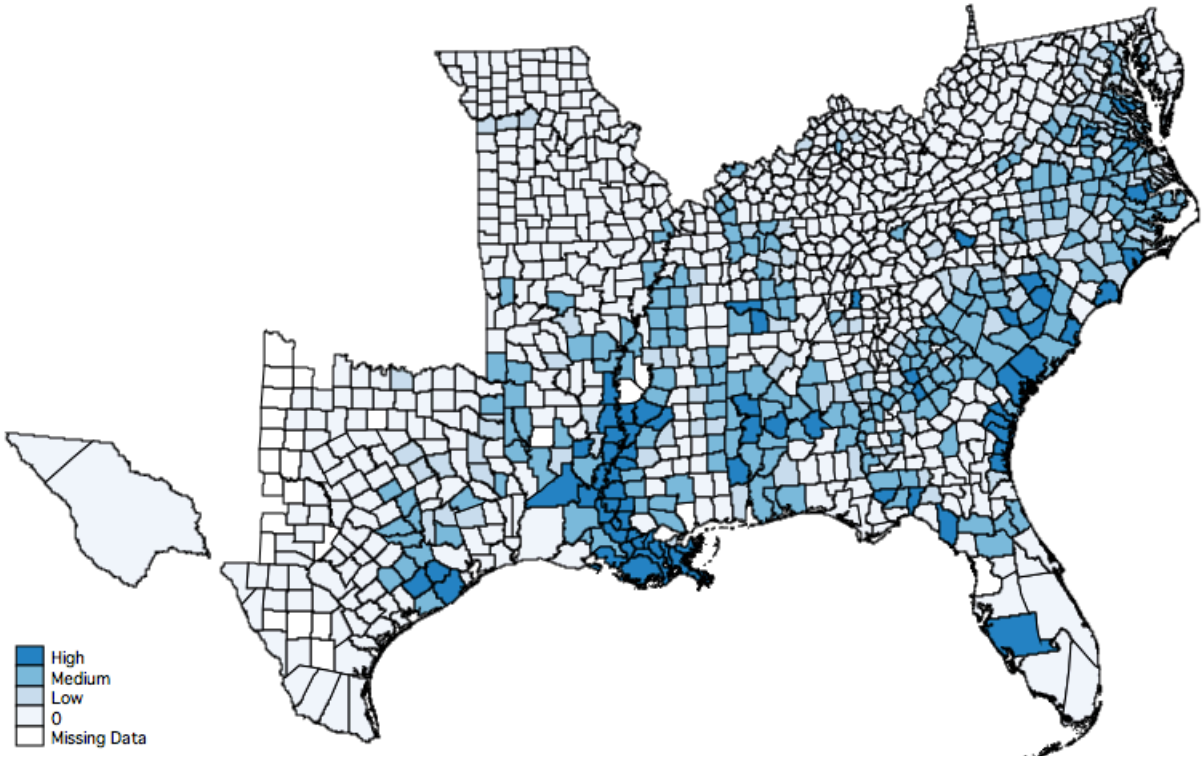

TABLE 2

THE PLANTER ELITE AND SOUTHERN PRODUCTIVITY LEVELS, 1840-1960

	LN(Total Value Added per Worker)											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	1840	1850	1860	1870	1880	1890	1900	1920	1930	1940	1950	1960
$WealthPE$	0.475*	0.548***	0.298*	0.0913	0.267	-0.160	-0.260*	-0.873***	-0.943**	-0.801**	-0.859**	-0.181
	(0.267)	(0.210)	(0.174)	(0.172)	(0.181)	(0.158)	(0.143)	(0.223)	(0.393)	(0.343)	(0.391)	(0.402)
$Ln(Slaves)$	-0.0307	-0.0312	0.0393**	0.106***	0.0867***	0.0677***	0.0423***	0.0581***	-0.00516	0.0642**	0.106***	0.0768**
	(0.0308)	(0.0219)	(0.0185)	(0.0373)	(0.0227)	(0.0197)	(0.0149)	(0.0191)	(0.0367)	(0.0318)	(0.0356)	(0.0344)
$Ln(Population)$	0.218***	0.257***	0.192***	0.0928	0.190***	0.157***	0.106***	-0.0310	0.395***	0.188**	0.203***	0.162**
	(0.0631)	(0.0566)	(0.0460)	(0.0905)	(0.0413)	(0.0398)	(0.0379)	(0.0463)	(0.0798)	(0.0771)	(0.0775)	(0.0705)
$Ln(Area)$	-0.213**	-0.0309	-0.117***	-0.199***	-0.203***	-0.139***	-0.0855***	-0.00138	-0.0124	0.0265	-0.0162	0.0508
	(0.105)	(0.0603)	(0.0304)	(0.0608)	(0.0353)	(0.0362)	(0.0279)	(0.0384)	(0.0839)	(0.0764)	(0.0780)	(0.0748)
Observations	743	943	1072	1072	1072	1072	1072	1072	1072	1072	1072	1072
R^2	0.474	0.747	0.347	0.375	0.490	0.367	0.481	0.174	0.160	0.182	0.235	0.197
State FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notes: In columns (1)-(12), the left-hand-side variable is the ln total value added per worker for the years 1840 to 1960. The fraction of county wealth in the hands of the planter elite in 1860 is denoted by $WealthPE$ (for more details see Section 3). The estimating equation employed is (2). See Section 4, page 10, for more details on the specification. Other right-hand-side variables used are the ln slaves (1860), ln population (1860) and the ln area of the county. See the Data Appendix for more details on the left-hand side variable and the other right-hand-side controls. The method of estimation is least squares. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

TABLE 3

THE PLANTER ELITE, GEOGRAPHY AND SOUTHERN PRODUCTIVITY LEVELS, 1840-1960

	LN(Total Value Added per Worker)											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	1840	1850	1860	1870	1880	1890	1900	1920	1930	1940	1950	1960
$WealthPE$	0.532**	0.445**	0.334*	0.119	0.149	-0.424***	-0.525***	-1.045***	-1.643***	-1.688***	-1.667***	-0.752**
	(0.256)	(0.206)	(0.183)	(0.178)	(0.186)	(0.162)	(0.159)	(0.224)	(0.366)	(0.347)	(0.381)	(0.355)
$Ln(Slaves)$	0.0402	0.0157	0.0270	0.0569	0.0409*	0.0364	0.0374**	0.0508**	-0.0551	0.0548	0.0592	0.0679
	(0.0407)	(0.0301)	(0.0254)	(0.0445)	(0.0241)	(0.0264)	(0.0188)	(0.0199)	(0.0425)	(0.0371)	(0.0370)	(0.0443)
$Ln(Population)$	0.147*	0.253***	0.161***	0.129	0.207***	0.203***	0.112***	-0.0309	0.473***	0.257***	0.253***	0.187**
	(0.0777)	(0.0619)	(0.0580)	(0.101)	(0.0411)	(0.0443)	(0.0394)	(0.0408)	(0.0817)	(0.0736)	(0.0682)	(0.0745)
$Ln(Area)$	-0.294**	-0.109*	-0.110***	-0.139***	-0.162***	-0.168***	-0.106***	0.0562	-0.0919	-0.0355	-0.0585	0.0560
	(0.127)	(0.0586)	(0.0339)	(0.0456)	(0.0339)	(0.0346)	(0.0274)	(0.0386)	(0.0783)	(0.0728)	(0.0714)	(0.0747)
Observations	733	933	1072	1072	1072	1072	1072	1072	1072	1072	1072	1072
R^2	0.543	0.781	0.437	0.464	0.582	0.487	0.619	0.363	0.272	0.343	0.395	0.290
State FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Controls for Climate	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Soil Shares	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Controls for Elevation	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notes: In columns (1)-(12), the left-hand-side variable is the ln total value added per worker for the years 1840 to 1960. The fraction of county wealth in the hands of the planter elite in 1860 is denoted by $WealthPE$ (for more details see Section 3). The estimating equation employed is (2). See Section 4, page 10, for more details on the specification. Other right-hand-side variables are a set of geographic controls (see Section 4, second paragraph on page 11), ln slaves (1860), ln population (1860) and the ln area of the county. See the Data Appendix for more details on the left-hand side variable and the other right-hand-side controls. The method of estimation is least squares. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

TABLE 4

THE PLANTER ELITE, AGRICULTURAL SPECIALIZATION AND SOUTHERN PRODUCTIVITY LEVELS, 1840-1960

	LN(Total Value Added per Worker)											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	1840	1850	1860	1870	1880	1890	1900	1920	1930	1940	1950	1960
$WealthPE$	0.571*	0.306	0.231	0.0253	0.232	-0.429**	-0.444**	-0.926***	-1.514***	-1.379***	-1.460***	-0.619*
	(0.300)	(0.204)	(0.190)	(0.192)	(0.205)	(0.188)	(0.173)	(0.235)	(0.425)	(0.360)	(0.406)	(0.368)
$Ln(Slaves)$	0.0729*	0.0138	-0.0109	0.0664	0.0369	0.0453	0.0501**	0.0839***	0.00177	0.134***	0.119***	0.134**
	(0.0376)	(0.0349)	(0.0235)	(0.0450)	(0.0246)	(0.0287)	(0.0205)	(0.0234)	(0.0508)	(0.0422)	(0.0450)	(0.0535)
$Ln(Population)$	0.137*	0.249***	0.173***	0.121	0.207***	0.192***	0.110***	-0.0363	0.440***	0.228***	0.230***	0.164**
	(0.0713)	(0.0624)	(0.0467)	(0.103)	(0.0410)	(0.0436)	(0.0398)	(0.0424)	(0.0827)	(0.0765)	(0.0732)	(0.0772)
$Ln(Area)$	-0.286**	-0.107*	-0.0916***	-0.125***	-0.148***	-0.153***	-0.0951***	0.0491	-0.0980	-0.0317	-0.0558	0.0569
	(0.129)	(0.0578)	(0.0315)	(0.0468)	(0.0337)	(0.0346)	(0.0277)	(0.0397)	(0.0800)	(0.0716)	(0.0726)	(0.0738)
$Ln(Slaves\,Large\,Plantations)$	-0.0412***	-0.0127	-0.0166**	-0.0178**	-0.0102	-0.00509	-0.0121**	-0.0122	-0.00137	-0.0183	-0.00235	-0.0212
	(0.0152)	(0.00865)	(0.00715)	(0.00875)	(0.00641)	(0.00724)	(0.00489)	(0.00752)	(0.0148)	(0.0122)	(0.0129)	(0.0136)
$Share\,Farmland\,Large\,Farms$	0.399	0.289	0.177	0.322	-0.0478	0.0508	0.235	0.0746	-0.476	-0.0890	-0.0821	0.117
	(0.341)	(0.208)	(0.199)	(0.241)	(0.189)	(0.206)	(0.150)	(0.267)	(0.473)	(0.387)	(0.390)	(0.440)
$Share\,Cotton$	0.483***	0.319**	1.008***	0.266	0.434***	0.149	0.0234	-0.363***	-0.503***	-0.671***	-0.741***	-0.532***
	(0.137)	(0.131)	(0.156)	(0.218)	(0.107)	(0.105)	(0.0786)	(0.0957)	(0.167)	(0.159)	(0.158)	(0.161)
$Share\,Sugar$	0.325***	0.493***	0.700***	0.213	0.290***	0.0339	0.00886	-0.107	-0.208	-0.322**	-0.313**	-0.101
	(0.112)	(0.168)	(0.136)	(0.151)	(0.105)	(0.0984)	(0.0689)	(0.0834)	(0.163)	(0.134)	(0.138)	(0.140)
$Share\,Rice$	0.374	0.259	0.721***	0.739**	-0.0654	0.286	-0.424	-0.363	0.414	-0.731	-1.038	-0.136
	(0.419)	(0.383)	(0.240)	(0.325)	(0.265)	(0.356)	(0.280)	(0.358)	(0.722)	(0.840)	(0.879)	(0.652)
$Share\,Tobacco$	0.0946	-0.0247	0.312***	-0.283**	-0.132	-0.480***	-0.242***	-0.0660	-0.728***	-0.928***	-0.895***	-0.656***
	(0.159)	(0.112)	(0.0972)	(0.122)	(0.0894)	(0.111)	(0.0726)	(0.119)	(0.241)	(0.181)	(0.215)	(0.228)
Observations	733	933	1072	1072	1072	1072	1072	1072	1072	1072	1072	1072
R^2	0.556	0.789	0.534	0.478	0.608	0.503	0.629	0.382	0.285	0.372	0.416	0.308
State FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Controls for Climate	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Soil Shares	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Controls for Elevation	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notes: In columns (1)-(12), the left-hand-side variable is the ln total value added per worker for the years 1840 to 1960. The fraction of county wealth in the hands of the planter elite in 1860 is denoted by $WealthPE$ (for more details see Section 3). The estimating equation employed is (2). See Section 4, page 10, for more details on the specification. Other right-hand-side variables are a set of geographic controls (see Section 4, second paragraph on page 11), ln slaves (1860), ln population (1860), ln area of the county and controls for the historical specialization in plantation agriculture (see Section 4, first paragraph on page 12) in 1860. See the Data Appendix for more details on the left-hand side variable and the right-hand-side controls. The method of estimation is least squares. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

TABLE 5
THE PLANTER ELITE AND ILLITERACY

	IlliteracyRate					
	(1) 1870	(2) 1880	(3) 1900	(4) 1910	(5) 1920	(6) 1930
$WealthPE_{1860}$	0.293***	0.140**	0.110***	0.118***	0.105***	0.0633**
	(0.0655)	(0.0672)	(0.0322)	(0.0396)	(0.0388)	(0.0297)
$IlliteracyRate_{1860}$	0.257***	0.310***	0.144***	0.161***	0.124***	0.0881***
	(0.0290)	(0.0229)	(0.0110)	(0.0131)	(0.0119)	(0.00977)
Observations	1068	1072	1072	1072	1072	1072
R^2	0.469	0.752	0.818	0.771	0.724	0.646
State FE	yes	yes	yes	yes	yes	yes
State FE	yes	yes	yes	yes	yes	yes
Controls for Climate	yes	yes	yes	yes	yes	yes
Soil Shares	yes	yes	yes	yes	yes	yes
Controls for Elevation	yes	yes	yes	yes	yes	yes
Controls for Agricultural Specialization	yes	yes	yes	yes	yes	yes

Notes: In columns (1)-(6), the left-hand-side variable is the illiteracy rate for the years 1870 to 1930. The fraction of county wealth in the hands of the planter elite in 1860 is denoted by $WealthPE$ (for more details see Section 3). Other right-hand-side variables are a set of geographic controls (see Section 4, second paragraph on page 11), the ln slaves (1860), ln population (1860), ln area of the county, the illiteracy rate (1860) and controls for the historical specialization in plantation agriculture (see Section 4, second paragraph on page 12) in 1860. See the Data Appendix for more details on the left-hand side variable and the right-hand-side controls. The method of estimation is least squares. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

TABLE 6

THE PLANTER ELITE AND THE SHARE OF ADULTS WITH HIGHER EDUCATION

Share of Adults over 25 with High School/College Education				
	(1)	(2)	(3)	(4)
	High School (1940)	College (1940)	High School (1950)	College (1950)
$WealthPE$	-0.0752***	-0.0435***	-0.0537*	-0.0458**
	(0.0270)	(0.0134)	(0.0299)	(0.0182)
$Illiteracy\ Rate(1860)$	-0.0813***	-0.0274***	-0.0967***	-0.0313***
	(0.0121)	(0.00596)	(0.0130)	(0.00719)
$Ln(Slaves)$	0.0126***	0.00572***	0.0128***	0.00536***
	(0.00295)	(0.00126)	(0.00308)	(0.00152)
$Ln(Totpop)$	-0.00366	0.00261	0.00102	0.00699**
	(0.00540)	(0.00268)	(0.00586)	(0.00307)
$Ln(Area)$	0.00128	-0.000569	-0.00141	5.99e-06
	(0.00494)	(0.00415)	(0.00535)	(0.00537)
Observations	1073	1073	1073	1073
R^2	0.537	0.349	0.491	0.297
State FE	yes	yes	yes	yes
Controls for Climate	yes	yes	yes	yes
Soil Shares	yes	yes	yes	yes
Controls for Elevation	yes	yes	yes	yes
Controls for Agricultural Specialization	yes	yes	yes	yes

Notes: In column (1) and (3), the left-hand-side variable is the share of adults over 25 with high school education in 1940 and 1950. In column (2) and (4), the left-hand-side variable is the share of adults over 25 with college education in 1940 and 1950. The fraction of county wealth in the hands of the planter elite in 1860 is denoted by $WealthPE$ (for more details see Section 3). The estimating equation employed is (2). See Section 4, page 10, for more details on the specification. Other right-hand-side variables are a set of geographic controls (see Section 4, second paragraph on page 11), the ln slaves (1860), ln population (1860), ln area of the county, the illiteracy rate (1860) and controls for the historical specialization in plantation agriculture (see Section 4, first paragraph on page 12) in 1860. See the Data Appendix for more details on the left-hand side variable and the right-hand-side controls. The method of estimation is least squares. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

TABLE 7
THE PLANTER ELITE AND ROSENWALD SCHOOLS

Number of Rosenwald Schools		
	(1)	(2)
$WealthPE$	-6.536**	-5.884**
	(2.666)	(2.685)
$Ln(Slaves)$	0.0666	0.207
	(0.192)	(0.165)
$Ln(Totpop)$	0.889**	0.339
	(0.384)	(0.332)
$Ln(Area)$	1.730***	2.002***
	(0.338)	(0.385)
Observations	1071	1071
R^2	0.427	0.433
State FE	yes	yes
Climate Variables	yes	yes
Soil Shares	yes	yes
Elevation Variables	yes	yes
Controls for Agricultural Specialization	yes	yes

Notes: In columns (1)-(2), the left-hand-side variable is the number of Rosenwald schools built in each county between 1914-1931. The fraction of county wealth in the hands of the planter elite in 1860 is denoted by $WealthPE$ (for more details see Section 3). The estimating equation employed is (2). See Section 4, page 10, for more details on the specification. Other right-hand-side variables are a set of geographic controls (see Section 4, second paragraph on page 11), the ln slaves (1860), ln population (1860), ln area of the county, the illiteracy rate (1860) and controls for the historical specialization in plantation agriculture (see Section 4, first paragraph on page 12) in 1860. I add the urban share in 1860 as additional control in column (2) . See the Data Appendix for more details on the left-hand side variable and the right-hand-side controls. The method of estimation is least squares. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

TABLE 8

THE PLANTER ELITE AND THE ILLITERACY RATE OF BLACK MALES

Illiteracy Rate Black Males of Voting Age			
	(1)	(2)	(3)
	1900	1910	1920
$WealthPE$	0.119**	0.112***	0.102***
	(0.0509)	(0.0420)	(0.0386)
$Ln(Slaves)$	0.0159***	0.0100***	0.00604***
	(0.00271)	(0.00227)	(0.00190)
$Ln(Totpop)$	-0.0105**	-0.00862**	-0.00530
	(0.00470)	(0.00422)	(0.00365)
$Ln(Area)$	-0.0145***	-0.00697	-0.00753**
	(0.00533)	(0.00443)	(0.00376)
Observations	1072	1072	1073
R^2	0.860	0.834	0.819
State FE	yes	yes	yes
Climate Variables	yes	yes	yes
Soil Shares	yes	yes	yes
Elevation Variables	yes	yes	yes
Controls for Agricultural Specialization	yes	yes	yes

Notes: In columns (1)-(3), the left-hand-side variable is the share of black males of voting age (age 21 and over) who cannot read and write for 1900 to 1920. The fraction of county wealth in the hands of the planter elite in 1860 is denoted by $WealthPE$ (for more details see Section 3). The estimating equation employed is (2). See Section 4, page 10, for more details on the specification. Other right-hand-side variables are a set of geographic controls (see Section 4, second paragraph on page 11), the ln slaves (1860), ln population (1860), ln area of the county, the illiteracy rate (1860) and controls for the historical specialization in plantation agriculture (see Section 4, first paragraph on page 12) in 1860. See the Data Appendix for more details on the left-hand side variable and the right-hand-side controls. The method of estimation is least squares. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

TABLE 9
THE PLANTER ELITE AND POLITICAL REPRESSION

Violence against Black Officeholders during Reconstruction		
	(1)	(2)
$WealthPE$	0.427**	0.982**
	(0.178)	(0.441)
$Ln(Slaves)$	0.0151*	0.00189
	(0.00789)	(0.0169)
$Ln(Population)$	0.0761***	0.181***
	(0.0189)	(0.0504)
$Ln(Area)$	-0.0412*	-0.0352
	(0.0223)	(0.0412)
Observations	841	841
R^2	0.235	0.231
State FE	yes	yes

Notes: In column (1), the left-hand-side variable is a binary variable which is unity if at least one black officeholder was a victim of violence in a county during Reconstruction. The left-hand side variable in column (2) is the total number of black officeholders which were victim of violence during Reconstruction. The fraction of county wealth in the hands of the planter elite in 1860 is denoted by $WealthPE$ (for more details see Section 3). The estimating equation employed is (2). See Section 4, page 10, for more details on the specification. Other right-hand-side variables are the ln slaves (1860), ln population (1860) and the ln area of the county. See the Data Appendix for more details on the left-hand side variable and the right-hand-side controls. The method of estimation is least squares. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

Table 10: The Political Connection of the Planter Elite after the Civil War

States	Constitutional Conventions (Years)	# Delegates Identified in 1860	Alternative (1)	Alternative (2)	Alternative (3)
Alabama	1865	99/99	77.78	67.68	62.63
	1875	70/92	72.86	72.86	65.71
Mississippi	1865	99/99	68.69	68.69	58.59
	1890	83/130	60.24	68.67	51.81

Source: Journals of the Proceedings and Debates of the Constitutional Conventions of Alabama (1865/75) and Mississippi (1865/90)
Alternative (1): % of Delegates listed as Slaveholders in 1860
Alternative (2): % of Delegates listed with more than $10,000 Wealth in 1860
Alternative (3): Both Criteria (1) & (2)

TABLE 11
THE PLANTER ELITE'S POLITICAL CONNECTION

	(1)	(2)	(3)
	PC_{cs}	$PC_{cs,t}$	$\#PC_{cs,t}$
$WealthPE$	4.375***	2.730**	1.201***
	(1.443)	(1.090)	(0.336)
Observations	109	217	217
R^2	0.206	0.187	0.507
State FE	yes	no	no
State Year FE	no	yes	yes
Other Controls	yes	yes	yes

Notes: In column (1), the left-hand-side variable, denoted by PC_{cs}, is an indicator variable whether a county was politically captured by the planter elite using Alternative (3) (for more details see Subsection 4.3.2, page 15-17). The fraction of county wealth in the hands of the planter elite in 1860 is denoted by $WealthPE$ (for more details see Section 3). The estimating equation employed is (4); see Subsection 4.3.2 on page 16 for more details on the specification. Other right-hand-side controls are the average number of delegates, ln population (1860) and ln area of the county and state fixed effects . In column (2), the left-hand-side variable, denoted by $PC_{cs,t}$, is an indicator variable whether at least one delegate of county c in a given year t was connected to the planter elite in 1860 using Alternative (3). The main variable of interest is the relative wealth of the planter elite, $WealthPE$. The estimating equation employed is (5); see Subsection 4.3.2, page 16, for more details on the specification. Other right-hand-side controls are the number of delegates, ln population (1860) and ln area of the county and state time fixed effects. The method of estimation in column (1) and (2) is probit. The Pseudo-R^2 is reported for columns (1)-(2). In column (3) the left-hand side variable denotes the number of delegates with political connections to the planter elite in a given year, $\#PC_{cs,t}$, using Alternative (3). The right-hand side variables are the same as in column (2). The method of estimation is least squares. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

Figure 2: Border Counties in the US South 1860

TABLE 12
THE PLANTER ELITE AND LAND PRICES

LN(Average Value of Farmland per Acre) 1870-1930			
PANEL A	(1)	(2)	(3)
$TE \times WealthPE$	1.192***	0.996***	0.667***
	(0.224)	(0.182)	(0.219)
Observations	7553	7553	7553
R^2	0.889	0.893	0.894
County FE	yes	yes	yes
State Time FE	yes	yes	yes
Other Controls	no	yes	yes
PANEL B	(1)	(2)	(3)
$TE \times WealthPE$	1.526***	1.131***	0.568**
	(0.187)	(0.221)	(0.287)
Observations	4769	4769	4769
R^2	0.954	0.955	0.956
County FE	yes	yes	yes
State Time FE	yes	yes	yes
Border Segment Time FE	yes	yes	yes
Other Controls	no	yes	yes

Notes: For Panel A and B, the left-hand-side variable is the ln value of farmland per acre (in $) for the years 1870 to 1930. The variable $TE \times WealthPE$ denotes the interaction between the treatment effect, TE, and $WealthPE$ (for more details see Section 4.3.3, pages 17-18). Note the treatment effect, TE, (that is a binary variable which takes the value one for all years after the Civil War *and before* the state overrode its Reconstruction convention) is captured by the state time fixed effects and the fraction of county wealth in the hands of the planter elite in 1860, $WealthPE$, is captured by the county fixed effects. For Panel A, the estimating equation employed is (6) and for Panel B the estimating equation is (7) (see Section 4.3.3 on page 17-18 for more details). Column (2) includes for Panel A and B the interactions of the treatment effect with the following control variables: ln slaves (1860), ln population (1860) and ln area of the county. In Column (3) I further add the interactions of the treatment effect with controls for the historical specialization in plantation agriculture in 1860. See the Data Appendix for more details on the left-hand side variable and the right-hand-side controls. The method of estimation is least squares. In Panel A, standard errors account for arbitrary heteroskedasticity and are clustered at the county level. In Panel B, standard errors account for arbitrary heteroskedasticity and are two-way clustered at the state level and border segment. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

TABLE 13
THE PLANTER ELITE AND PLANTATION CROPS

Plantation Crops Ratio 1870-1900			
PANEL A	(1)	(2)	(3)
$TE \times WealthPE$	1.738***	1.165*	2.098***
	(0.609)	(0.652)	(0.796)
Observations	4202	4202	4202
R^2	0.178	0.181	0.196
County FE	yes	yes	yes
State Time FE	yes	yes	yes
Other Controls	no	yes	yes
PANEL B	(1)	(2)	(3)
$TE \times WealthPE$	2.577***	2.691***	1.950*
	(0.825)	(0.827)	(1.118)
Observations	2639	2639	2639
R^2	0.940	0.941	0.941
County FE	yes	yes	yes
State Time FE	yes	yes	yes
Border Segment Time FE	yes	yes	yes
Other Controls	no	yes	yes

Notes: For Panel A and B the left-hand-side variable is the plantation crops ratio for the years 1870 to 1900. The variable $TE \times WealthPE$ denotes the interaction between the treatment effect, TE, and $WealthPE$ (for more details see Section 4.3.3, pages 17-18). Note the treatment effect, TE, (that is a binary variable which takes the value one for all years after the Civil War *and before* the state overrode its Reconstruction convention) is captured by the state time fixed effects and the fraction of county wealth in the hands of the planter elite in 1860, $WealthPE$, is captured by the county fixed effects. For Panel A, the estimating equation employed is (6) and for Panel B the estimating equation is (7) (see Section 4.3.3 on page 17-18 for more details). Column (2) includes for Panel A and B the interactions of the treatment effect with the following control variables: ln slaves (1860), ln population (1860) and ln area of the county. In Column (3) I further add the interactions of the treatment effect with controls for the historical specialization in plantation agriculture in 1860. See the Data Appendix for more details on the left-hand side variable and the right-hand-side controls. The method of estimation is least squares. In Panel A, standard errors account for arbitrary heteroskedasticity and are clustered at the county level. In Panel B, standard errors account for arbitrary heteroskedasticity and are two-way clustered at the state level and border segment. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

TABLE 14

THE PLANTER ELITE AND THE PATERNALISTIC VIEW: LYNCHINGS

	Number of Lynchings	
	(1)	(2)
	1882-1930	1882-1900
$WealthPE$	-7.636***	-5.232***
	(2.365)	(1.925)
$Ln(Slaves)$	0.355	0.349
	(0.258)	(0.215)
$Ln(Population)$	-0.0402	0.106
	(0.511)	(0.426)
$Ln(Area)$	1.192***	0.753***
	(0.332)	(0.283)
Observations	682	682
R^2	0.364	0.321
State FE	yes	yes
Climate Variables	yes	yes
Soil Shares	yes	yes
Elevation Variables	yes	yes
Controls for Agricultural Specialization	yes	yes

Notes: In columns (1)-(2), the left-hand-side variable is the number of lynchings in ten Southern states (Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Kentucky and Tennessee). The fraction of county wealth in the hands of the planter elite in 1860 is denoted by $WealthPE$ (for more details see Section 3). The estimating equation employed is (2). See Section 4, page 10, for more details on the specification. Other right-hand-side variables are a set of geographic controls (see Section 4, second paragraph on page 11), the ln slaves (1860), ln population (1860), ln area of the county and controls for the historical specialization in plantation agriculture (see Section 4, first paragraph on page 11) in 1860. See the Data Appendix for more details on the left-hand side variable and the right-hand-side controls. The method of estimation is least squares. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

TABLE 15
THE PLANTER ELITE AND THE PATERNALISTIC VIEW: BLACK TENANCY

	Share of Black Tenants in 1900		
	(1)	(2)	(3)
	Cash & Share	Cash Tenants	Share Tenants
$WealthPE$	0.302***	0.417***	0.176*
	(0.0930)	(0.102)	(0.102)
$Ln(Slaves)$	0.0272***	0.0230***	0.0263***
	(0.00624)	(0.00643)	(0.00649)
$Ln(Population)$	-0.00485	-0.0121	0.00463
	(0.0117)	(0.0126)	(0.0121)
$Ln(Area)$	-0.0157	-0.00458	-0.0253*
	(0.0130)	(0.0140)	(0.0134)
Observations	1072	1071	1072
R^2	0.863	0.832	0.854
State FE	yes	yes	yes
Climate Variables	yes	yes	yes
Soil Shares	yes	yes	yes
Elevation Variables	yes	yes	yes
Controls for Agricultural Specialization	yes	yes	yes

Notes: In column (1), the left-hand-side variable is the share of black tenants in 1900. In column (2), the left-hand-side variable is the share of black cash tenants in 1900. Column (3) reports the share of black share tenants in 1900. The fraction of county wealth in the hands of the planter elite in 1860 is denoted by $WealthPE$ (for more details see Section 3). The estimating equation employed is (2). See Section 4, page 10, for more details on the specification. Other right-hand-side variables are a set of geographic controls (see Section 4, second paragraph on page 11), the ln slaves (1860), ln population (1860), ln area of the county and controls for the historical specialization in plantation agriculture (see Section 4, first paragraph on page 12) in 1860. See the Data Appendix for more details on the left-hand side variable and the right-hand-side controls. The method of estimation is weighted least squares with weights equal to the farmland of counties. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

TABLE 16

THE RELATIVE WEALTH OF THE PLANTER ELITE VS THE GINI COEFFICIENT IMPLIED BY THE FARM SIZE DISTRIBUTIONS

	LN(Total Value Added per Worker)											
	PANEL A: REPLICATION OF TABLE 2 USING THE GINI COEFFICIENT											
	1840	1850	1860	1870	1880	1890	1900	1920	1930	1940	1950	1960
Gini Coefficient	0.552	1.060***	0.351	-0.529*	-0.0972	-0.182	-0.0358	0.195	0.240	0.0987	0.267	0.203
	(0.375)	(0.378)	(0.337)	(0.280)	(0.225)	(0.222)	(0.172)	(0.256)	(0.473)	(0.407)	(0.414)	(0.361)
Observations	736	935	1070	1070	1070	1070	1070	1070	1070	1070	1070	1070
R^2	0.483	0.758	0.364	0.386	0.481	0.369	0.489	0.162	0.155	0.183	0.236	0.200
State FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
	PANEL B: REPLICATION OF TABLE 4 USING THE GINI COEFFICIENT											
Gini Coefficient	1.204***	1.254***	0.326	-0.415	-0.0925	-0.291	-0.0729	0.267	-0.284	-0.423	0.0617	-0.0216
	(0.407)	(0.387)	(0.351)	(0.312)	(0.259)	(0.246)	(0.179)	(0.255)	(0.471)	(0.378)	(0.398)	(0.387)
Observations	732	931	1070	1070	1070	1070	1070	1070	1070	1070	1070	1070
R^2	0.561	0.796	0.545	0.511	0.604	0.502	0.631	0.369	0.277	0.368	0.412	0.310
State FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
	PANEL C: HORSERACE											
WealthPE	0.371	0.226	0.195	0.0875	0.246	-0.409**	-0.448***	-0.959***	-1.505***	-1.363***	-1.487***	-0.631*
	(0.290)	(0.216)	(0.191)	(0.193)	(0.207)	(0.193)	(0.172)	(0.234)	(0.424)	(0.360)	(0.408)	(0.372)
Gini Coefficient	1.143***	1.238***	0.310	-0.422	-0.112	-0.259	-0.0372	0.343	-0.164	-0.315	0.180	0.0288
	(0.406)	(0.389)	(0.353)	(0.315)	(0.259)	(0.249)	(0.176)	(0.249)	(0.465)	(0.372)	(0.394)	(0.390)
Observations	732	931	1070	1070	1070	1070	1070	1070	1070	1070	1070	1070
R^2	0.561	0.796	0.545	0.511	0.604	0.504	0.634	0.381	0.285	0.378	0.421	0.312
State FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notes: In columns (1)-(12), the left-hand-side variable is the ln total value added per worker for the years 1840 to 1960. The Gini coefficient implied by the farm size distributions is retrieved from Nathan Nunn's webpage: http://www.economics.harvard.edu/faculty/nunn/data_nunn. The calculation of the Gini coefficient is described in Nunn (2008). For Panel C, the fraction of county wealth in the hands of the planter elite in 1860 is denoted by *WealthPE* (for more details see Section 3). For more information on the control variables used in Panel A see Table 2 on page 38, and for Panel B and C see Table 4 on page 40. The estimating equation employed is (2). See Section 4, page 10, for more details on the specification. The method of estimation is least squares. Standard errors account for arbitrary heteroskedasticity and are clustered at the county level. ***, **, and * denote significance at the 1%, 5%, and 10% level respectively.

APPENDIX TABLE: SUMMARY STATISTICS

Summary Statistics (Section 4)

Variable	*Obs*	*Mean*	*Std. Dev.*
Relative Wealth of the Planter Elite (1860)	1072	0.04	0.08
Ln Slaves (1860)	1072	7.30	1.64
Ln Population (1860)	1072	9.03	0.78
Ln Area	1072	6.28	0.54

Variable	*Obs*	*Mean*	*Std. Dev.*
Ln Total Value Added Per Worker (1840)	733	5.1	0.74
Ln Total Value Added Per Worker (1860)	1072	5.34	0.47
Ln Total Value Added Per Worker (1880)	1072	5.15	0.44
Ln Total Value Added Per Worker (1900)	1072	5.56	0.38
Ln Total Value Added Per Worker (1920)	1072	6.92	0.46
Ln Total Value Added Per Worker (1940)	1072	5.29	0.73
Ln Total Value Added Per Worker (1960)	1072	7.58	0.78

Variable	*Obs*	*Mean*	*Std. Dev.*
Illiteracy Rate (1860)	1072	0.41	0.21
Illiteracy Rate (1880)	1072	0.39	0.16
Illiteracy Rate (1900)	1072	0.17	0.09
Illiteracy Rate (1920)	1072	0.12	0.08
Illiteracy Rate (1930)	1072	0.09	0.06

Variable	*Obs*	*Mean*	*Std. Dev.*
Share of Adults with High School Education (1940)	1072	0.20	0.07
Share of Adults with High School Education (1950)	1072	0.25	0.07
Share of Adults with College Education (1940)	1072	0.07	0.03
Share of Adults with College Education (1950)	1072	0.08	0.04

Summary Statistics (Section 4 continued)

Variable	*Obs*	*Mean*	*Std. Dev.*
Number of Rosenwald Schools (1914-1931)	1071	3.52	5.85
Indicator Variable Violence against Black Officeholder	842	0.10	0.31
Indicator Variable of Political Persistence	109	0.48	0.50

Variable	*Obs*	*Mean*	*Std. Dev.*
Ln Value of Farmland Per Acres in $ (1870)	1055	1.82	0.94
Ln Value of Farmland Per Acres in $ (1880)	1055	1.92	0.76
Ln Value of Farmland Per Acres in $ (1890)	1055	2.24	0.74
Ln Value of Farmland Per Acres in $ (1900)	1055	2.34	0.71
Ln Value of Farmland Per Acres in $ (1910)	1055	3.06	0.64
Ln Value of Farmland Per Acres in $ (1920)	1055	3.80	0.63
Ln Value of Farmland Per Acres in $ (1930)	1055	3.60	0.57

Variable	*Obs*	*Mean*	*Std. Dev.*
Number of Lynchings (1882-1932)	682	3.3	4.17
Share of Black Tenants (1900)	1072	0.29	0.29
Gini Coeffcient (1860)	1070	0.45	0.06

European Historical Economics Society

EHES Working Paper Series

Recent EHES Working Papers

2013

EHES.37 North and South: Social Mobility and Welfare Spending in Preindustrial England
Nina Boberg-Fazlic and Paul Sharp

EHES.36 Household Debt and Economic Recovery Evidence from the U.S. Great Depression
Katharina Gärtner

EHES.35 Predicting the Past: Understanding the Causes of Bank Distress in the Netherlands in the 1920s
Christopher L. Colvin, Abe de Jong and Philip T. Fliers

EHES.34 World Human Development: 1870-2007
Leandro Prados de la Escosura

2012

EHES.33 Farmer Families at the Heart of the Educational Revolution: Which Occupational Group Inherited Human Capital in the Early Modern Era?
Franziska Tollnek and Joerg Baten

EHES.32 Monetary policy without interest rates. Evidence from France's Golden Age (1948-1973) using a narrative approach.
Eric Monnet

EHES.31 Rearmament to the Rescue?
New Estimates of the Impact of 'Keynesian' Policies in 1930s' Britain
Nicholas Crafts and Terence C. Mills

EHES.30 Housing Markets during the Rural-Urban Transition: Evidence from early 20th Century Spain
Juan Carmona, Markus Lampe and Joan Ramón Rosés

All papers may be downloaded free of charge from: www.ehes.org
The European Historical Economics Society is concerned with advancing education in European economic history through study of European economies and economic history. The society is registered with the Charity Commissioners of England and Wales number: 1052680