

# The Economics of Coercive Institutions, Conflict, and Development

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**ACADEMIC THESIS**

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Tuesday June 16, 14.15 pm, Lecture hall B44,  
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### **From Plantations to Prisons: The Legacy of Slavery on Black Incarceration in the US**

Black males constitute 6.5% of the US population but account for 40% of the prison population. The extent to which this disparity reflects differences in criminal conduct and socio-economic background, as opposed to differential treatment is a long-standing question. However, little is known about the roots of this disparity. This paper uses US decennial censuses for the period 1850 to 1940 to show that the race gap in incarceration can be traced back to the abolition of slavery in 1865. In particular, I exploit the variation in the prevalence of slavery across counties in southern states to estimate the short- and long-run impact of slavery on black incarceration rates. I document a substantial increase in black incarceration immediately after the abolition of slavery, with no comparable effect on whites, and that this black-white incarceration gap continued to grow. These baseline OLS results are not driven by omitted variables given their robustness to: (i) observable controls, which proxy for racial attitudes and socioeconomic and geographic characteristics, (ii) analyses of neighboring counties that are more likely to be comparable on unobservable dimensions, and (iii) an IV analysis that instruments for slavery intensity with a county's suitability for growing cotton. Using novel historical data on prison work camps from the Department of Labor, I provide evidence that the high levels of black incarceration in the US started, at least in part, due to labor scarcity in which convict labor was used to replace slave labor. This mechanism is further supported in analyses of three natural experiments – land grant allocations, Boll Weevil cotton pests, and the Mississippi River floods – that reduced the demand for labor; these reverse shocks are associated with lower black incarceration rates.

Key words: Slavery, Black Incarceration, Labor Coercion, US

JEL codes: J15, J47, K31N31, N91, N92

### **The Effect of Violence on Social Capital: Evidence from Exogenous Variation in an Illegal Market**

This paper studies the effects of violence on social capital using individual and municipal level data in Colombia. To estimate causal effects, I exploit changes in violence attributed to cross-border shocks on coca markets in neighbouring countries, interacted with a novel index of suitability for coca cultivation; this resulted in greater violence in municipalities that are more suitable for coca production. I find that violence has a negative effect on social capital measures such as trust, participation in community organisations, and cooperation. My findings are consistent with conflict in which is hard to identify the perpetrators.

Key words: Conflict, Social Capital, Coca

JEL codes: C36, D74, N46, O54, Z10

### **Measuring Labor Market Risk in Latin America**

This paper generates comparable measures of labor market risk across the development process from repeated cross sections of labor market surveys, and identifies patterns across demographic and employment categories. It identifies a striking and very significant negative correlation between risk and the level of development. Developing country workers do seem to face more risk. It finds evidence of differences across demographic or job categories. On average, women appear to face slightly less risk and the self-employed roughly the same as salaried males.

Key words: Labor Markets, Risk, Latin America

JEL codes: J01, J31, J46, O12, O54

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