Recruitment Restrictions and Labor Markets:
Evidence from the Post-Bellum U.S. South.

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Abstract

This paper estimates the impact of recruitment restrictions on job-to-job transitions and wages in the post-bellum U.S. South. I estimate the effects of criminal fines charged for "enticement" (offers made to workers already under contract) on sharecropper mobility, tenancy choice, and agricultural wages. I find that a $13 (10%) increase in the fine charged for enticement lowered the probability of a move by black sharecroppers by 12%, lowered daily wages by 1 cent (.1%), and lowered the returns to experience for blacks by 0.6% per year. These results are consistent with an on-the-job search model, where the enticement fine raises the cost of offering a job to employed workers.

1   Introduction

This paper uses variation in post-bellum U.S. Southern legislation to estimate the labor market impact of on-the-job recruitment costs. Specifically, I estimate the effects of changes in criminal fines charged for "enticement" (offers made to workers already under contract) between 1875 and 1930. Anti-enticement laws imposed criminal fines on planters attempting to poach labor already under an employment contract. These laws, if enforced, should restrict worker mobility, particularly job-to-job transitions, which recent research suggests is an important determinant of labor market outcomes (Manning 2004, Cahuc, Postel-Vinay, and Robin 2006). I use state-year variation in the fines to identify the effect of on-the-job recruitment restrictions on mobility, wages, and the returns to experience.

Studying the impact of anti-enticement laws is important for understanding historical racial inequality in the United States, post-slavery economic institutions, and the mechanics of labor markets in general. While economists have focused on measuring private market discrimination (Becker 1971, Bertrand and Mullainathan 2004, Arrow 1998), and inequality in educational endowments (Card and Krueger 1992, Margo 1990), the role of regulation in maintaining racial inequality has been relatively understudied (Krueger 1963). Anti-enticement laws are an example of labor legislation, pervasive in the post-bellum South, that benefited white employers at the expense of black workers.

Racial discrimination in law enforcement makes anti-enticement legislation particularly interesting to look at. Prosecuted by and against largely white landlords, they are much more likely to follow the letter of the law, as opposed to laws that could be selectively enforced vis-a-vis African Americans. Thus, the effects of formal changes in the law are perhaps more likely to alter observable labor market behavior. Anti-vagrancy or contract-enforcement statutes, on the other hand, primarily targeted black workers. In the weakly institutionalized environment of the pre-Civil Rights South, these laws were selectively and inconsistently enforced against blacks. The variation in fines imposed by the anti-enticement laws is also more likely to be binding, as richer whites could afford to pay them and avoid jail. Fines imposed on blacks, however, were almost universally not feasible to pay, and a $100 fine was as likely to not be paid as a $1000 one.

Anti-enticement laws are also an important instance of the historically ubiquitous use of coercion and repression in labor markets (Naidu and Yuchtman 2009, Bobonis 2008, Acemoglu and Wolitzky 2009, Engerman 1982). However, scholars differ on whether or not government regulation was effective in reducing black labor market mobility in the post-emancipation U.S. South. For example, Du Bois memorably claimed that the South was "simply an armed camp for intimidating black folk", while Wright wrote that the South "was not a prison and there was no smoking gun to keep African-Americans and poor whites in the region" (Wright 1986). The mobility of sharecroppers, who were often under seasonal contracts and fell under the purview of anti-enticement laws, has also been the subject of debate (Fishback 1989, Ransom and Sutch 2001). Drawing the connection between labor law and static monopsony, Roback (1984) suggests that regulations increased the labor market power of Southern planters, but no paper, as far as I am aware, has attempted to estimate the impact of a particular type of legislation on

worker mobility and wages.

Finally, the variation in the costs of recruiting already-employed workers induced by differential timing of anti-enticement laws allows a unique test of the importance of employer competition and job-to-job transitions in determining wages and other labor market outcomes. By restricting workers' outside options, planters could pay lower wages without losing all of their workers to competing employers. Formally, anti-enticement laws generate upward sloping labor-supply curves to individual platers, despite having a large number of workers and employers in the labor market. The contemporary labor economics literature on dynamic monopsony (Burdett and Mortensen 1998, Manning 2004) generates equilibrium monopsony power in large markets by allowing for frictions and on-the-job search behavior. As the model in the appendix shows, the anti-enticement laws restrict the offers available to workers, lowering mobility and exacerbating labor market frictions.

I present three different pieces of evidence. The first is a panel of retrospective work histories from Arkansas, collected by Alston and Ferrie (2006), which I use to examine the effect of the enticement fine on job mobility. The second is a state-year panel, using agricultural wages as a dependent variable. The third is a cohort-state regression using the 1940 IPUMS census micro sample, estimating the effects of anti-enticement laws on the returns to experience and mobility in agricultural labor. I find that the anti-enticement laws lowered job mobility and the relative quality of land tenure contracts, lowered agricultural wages, and lowered the returns to experience in agriculture for blacks.

In the next section, I review the literature on the post-bellum Southern agricultural labor market, highlighting the distinction between casual wage labor and sharecroppers under contract. Section 3 outlines what economic theories of efficient contracting versus search/monopsony would predict about the effects of anti-enticement laws on labor markets. Section 4 presents specifications and estimates of the effect of anti-enticement fines on job transitions and land-tenure arrangements from the Arkansas individual panel dataset. Section 5 shows results from estimating the effect of anti-enticement fines on wages in a state-year panel. Section 6 estimates the effect of anti-enticement laws over the lifecycle on the returns to experience in 1940. Section 7 concludes.

2   History and Background

> "Negroes' ignorance of the labor market outside his own vicinity is increased rather than diminished by the laws of nearly every Southern state."
> - W.E.B Du Bois, "The Souls of Black Folk" 1903

The historical literature on the post-bellum U.S. Southern labor market is rife with discussions of recruitment and retention problems. This is particularly true during Reconstruction, the immediate post-war decade where the North attempted to rebuild and democratize the states of the ex-Confederacy.[1]

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[1] The ex-Confederate states are Alabama, Mississippi, Tennessee, Florida, Georgia, North Carolina, South Carolina, Virginia, Arkansas, Louisiana, and Texas.

Planters had no experience with the inflows and outflows of labor that are concomitant with a free market, and were shocked by the newfound competition for labor induced by emancipation. Slave labor, by definition, could not quit, and turnover was nonexistent. In fact, Hanes (1996) argues that the distribution of slaves across industries in Anglo-America is explained by turnover costs. Sectors facing thin (e.g. rural) labor markets were particularly prone to slave-holding. He suggests that industries that were slave-intensive prior to abolition were likelier, post-emancipation, to use contracts that guaranteed a stable workforce. Wright (2006) also suggests that the guaranteed nature of slave labor during the harvest period allowed slaveholders to extract higher cotton yields. For post-emancipation planters, then, concerns about retention were paramount. Rodrigue (2003), in a chapter on Louisiana's sugar labor market during Reconstruction writes "By outbidding one another, and by enticing one another's workers, one admonished his colleagues, planters placed themselves at the 'mercy and power of their agricultural servants'". Shlomowitz (1984), drawing on a variety of sources from the Reconstruction period, offers the following:

> Contemporary articles and letters used such evocative expressions as employers were "tampering" with each other's labor; employers were "enticing" other employers' labor from them by better offers; employers were "outbidding" one another; employers were "pulling against" each other; there was a "likely competition" for labor; and there was a "scramble" for labor.

Given these recruitment difficulties endured by planters under Republican rule, it is not surprising that the withdrawal of Federal troops and the return of planters to political power (called "Redemption") led quickly to legislation that mitigated the mobility of labor. Unlike disenfranchisement or segregation laws, labor control laws were not an artifact of the 1890-1910 height of legal segregation, but were in fact passed by some states as soon as possible, and featured prominently in the "Black Codes" that immediately followed the Civil War. While these were largely dead letter, owing to Northern military occupation, many of the statutes were reborn following Southern Redemption and the compromise of 1876. However, the nominal constraints imposed by the U.S. Constitution (backed by the fear of Northern re-occupation) made the passage of these laws subject to considerable variation in timing, a point to which I return below.

However, agricultural day labor remained casual and footloose (Wright 1986), subject to market competition. Economic historians (Ferleger 1993, Alston and Kaufman 2001) have documented that turnover was a concern for planters, even after Reconstruction. For example, a 1914 report (Brooks 1914, p. 30) on Georgia agriculture notes:

> In the unsettled condition of labor, it became a common thing for negroes who had contracted with one planter to be enticed away by promises of higher wages elsewhere. It was a matter more of chagrin than of surprise if ones entire plantation force disappeared over night.

Alston and Ferrie (1999) suggest that labor retention was what planters secured with their use of paternalist institutions, such as protection from violence, credit, medical care, and legal fees. Such retention costs would have given strong incentives for planters to use labor contracts, such as sharecropping

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arrangements, which could be regulated by contract-enforcement and anti-enticement laws restricting mobility. Bound by contracts over the year, sharecroppers paid for the somewhat greater control over production by forfeiting their rights to move. This was often bundled together with a debt contract, perpetually rolled over, that kept sharecroppers relatively immobile (Ransom and Sutch 2001). As sharecroppers generally agreed to seasonal contracts, the laws governing contractual relations between employers and sharecroppers were binding. Thus, the theoretical and empirical analysis below reflects the fact that sharecroppers are the types most affected by anti-enticement laws, with spillovers into the agricultural wage labor market.

Economic historians have argued whether the rural labor market for blacks in the post-bellum U.S. South was competitive or monopsonistic (Higgs 1977, Mandle 1978, Daniel 1990). This debate has been conducted largely in terms of anecdotes, or, at best, aggregate data on mobility statistics. Wright documents that cross-state Southern agricultural wages were closer to each other than to wages in the North, and interprets this as evidence of a competitive labor market within the South. While casual wage labor may have been mobile and competitive, a large literature has argued over the relative mobility of black sharecroppers (Ransom and Sutch 2001) and the market power of planters who contracted with them. This distinction between casual, mobile agricultural wage labor and sharecroppers under contract will be exploited in the empirical strategy below. However, it is important to note that sharecropping was considered a step up from wage labor, but inferior to either fixed-rent tenancy or independent ownership, a point which I will return to below.

2.1   Legal Prosecution and Enforcement

A legal legacy of the 1351 English statute of labourers, anti-enticement laws persisted in the common law under "Master and Servant", but by the 1850s had become just minor torts in the U.S. states.[2] However, in the wake of the Civil War, the Southern states (except Tennessee) re-elevated breach of the anti-enticement law to a criminal offense, punishable by fines. The United States South is not unique in this regard, in that every ex-British colony responded to the abolition of slavery with an increase in Master and Servant legislation and prosecution (Hay and Craven 2004).

A key issue is whether the laws were effectively administered and prosecuted. Much of the relevant archival evidence remains dispersed in county courts across the South. However, on some occasions, the local courts' verdict was challenged and went before a higher court. If these cases made it to the state Supreme Court, then we can use common legal databases to find a limited subset of prosecutions. A search of the Lexis Nexis legal database[3] reveals 17 cases of prosecution for enticement in one of the 12 Southern states between 1875 and 1930 that made it to a state Supreme court. These cases offer some illumination into how the laws functioned, but are hardly representative; it is only when there was something legally unusual that a case would go to the state Supreme Court. For example, 2 of the cases

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[2]See Naidu and Yuchtman (2009) for evidence that criminal prosecutions of Master and Servant laws in England, which continued until 1875, were pro-cyclical.

[3]Using the key words "master and servant" together with "enticement".

involve prosecutions of enticement of laborers under the age of consent, which raises the legal issue of whether the contracts agreed to by the minor were valid in the first place. It is important to note that the paucity of cases in the Supreme court database is not necessarily evidence against the effectiveness of the law, the threat of enforcement to elicit compliance is all that is required. As South Carolina congressman Miller testified to congress in the early 1890s (Jaynes 1986):

> "In my State, if the employer states verbally that the unpaid laborer of his plantation contracted to work for the year no other farmer dares employ the man if he attempts to break the contract rather than work for nothing: for down there it is a misdemeanor so to do, the penalty is heavy, and the farmer who employs the unpaid starving laborer is a victim of the court."

The operation of the law was clarified in an early 1885 Alabama prosecution, *Tarpley vs State*. William Tarpley hired Dan Ellington as a farm laborer. Ellington's previous employer, Ivey, had a contract with Ellington that lasted until August 1st, 1885. Ellington, however, voluntarily left Ivey early, on March 23rd and immediately recontracted with Tarpley. Hence, Ivey brought a suit against Tarpley. Tarpley's appeal was based on a claim that he was ignorant of the previous contract. The Alabama Supreme Court found in favor of Ivey, upholding the county court verdict, and setting the precedent that lack of knowledge of pre-existing contracts was not a defense against an enticement charge.

In *Griffin vs State*, a 1923 Arkansas case first filed in Jefferson county, where we shall return in the empirical section below, an employee of the Delta & Pine Land Plantation Company was sued by Cox and Alexander. The plaintiffs, co-owners of a plantation in Jefferson country, had contracted with a Mr. Dan Hutson to be a sharecropper in 1923. However, Hutson left Jefferson county to work for the Plantation Company on January 3rd of 1923, after being solicited by them. The reason the case made it to the Arkansas Supreme Court was that the Plantation Company had paid Cox and Alexander for the right to employ Hutson, and the dispute was over whether this constituted "consent" to dissolve Hutson's contract. The court ruled in favor of Cox and Alexander, and upheld the Jefferson county circuit court's ruling that the Plantation Company was guilty of enticement.

Another illuminating anecdote on the operation of these laws is found in Cohen:

> "In 1911, John Bridges, a Negro who lived in the vicinity of Wake Forest, entered into a contract with A.M. Harris, a white man. Bridges later quit as a result of a dispute over wages, and Harris proceeded to harass him from job to job by threatening to bring each new employer into court." (Cohen 1976 pg 37)

In the 1890 *Duckett vs Pool* case, the South Carolina State Supreme court found Mr. Pool guilty of enticing a worker of Mr. Druckett, and a judge gave a very long opinion on the operation of the anti-enticement law. What is clarified in his opinion is the coverage of sharecropping contracts:

> "if he worked for a compensation, or agreed to work under the direction of his employer in the cultivation of a crop for which he was to receive a part of the crop produced by his labor,

then he was an agricultural laborer; not only an agricultural laborer, but a servant; and to entice him away from his employer, from his master, was a violation of our statute, for which damages could be recovered."

Despite the absence of detailed prosecutions data, the present paper empirically documents that the enticement laws did in fact bind sharecroppers in statistically and economically significant ways. Thus it suggests that the formal legal institutions regulating land and labor in the U.S. South were not mere window dressing on de facto practice, but instead codified and hardened a social norm with the force of law.

3   Theoretical Predictions

Theoretical literatures in development and labor economics have modelled the implications of imperfect labor mobility, largely in a contract theory framework. In development economics, Bardhan (1982) and Mukherjee and Ray (1996) model labor markets featuring tied labor, where workers sign contracts committing them to stay with a particular employer through the peak season, despite the opportunity for a higher wage. However, imperfect enforcement of the tied labor contract is not discussed in this literature, and so there is little role for variation in anti-enticement laws.

In labor economics, Beaudry and Dinardo (1994) model the implications of employee inability to commit to not leaving the employer during times of high labor demand. They find that employers offer upward sloping wage profiles in order to induce employees to stay during periods of high labor demand. In this framework, an anti-enticement law would slacken the participation constraint facing employers and lower wages as well as lowering the returns to experience. In essence, the anti-enticement law allows workers to commit to staying with an employer during periods of high labor demand. Naidu and Yuchtman (2009) formalize this idea in a model of risk-sharing under partial commitment.

In general a variety of models could predict that anti-enticement laws lower wages and returns to experience. However, an issue with static models is that equilibrium turnover and job-to-job transitions do not arise naturally. In the efficient contracting framework this is essentially because the participation constraint always binds. Measuring job mobility is a key part of my empirical strategy, and the flow approach to labor markets allows this to be explicitly modelled. In addition, to capture the mechanism by which the anti-enticement law could affect labor market outcomes of workers, it is important to have a model where the employer's decision to make an offer is endogenized. A search model allows the enticement fine to affect the employer's decision about whether or not to "poach" (i.e. post a vacancy), and the search equilibrium then reflects the effects on workers' outcomes.

Thus, in the appendix, I offer a simple theoretical model based on on-the-job search of workers and offer posting by employers that generates the following three predictions:

Increases in the enticement fine lower the job-to-job transition rate.

Increases in the enticement fine lower the wage.

Increases in the enticement fine lower the returns to experience.

The story behind the model is straightforward. Employers are searching for workers, and make offers to randomly encountered workers. But, if the enticement fine is high, it raises the expected costs of employers making offers, because of the probability that they might be making an offer to somebody already under contract and thereby incur the fine. So employers make fewer offers, which means workers have a harder time a) leaving their jobs and b) moving up the job ladder, depressing the returns to experience. By lowering the probability of leaving a sharecropping contract, enticement fines also depress the value of working in these contracts. Since, in equilibrium, wage labor and the first sharecropping contract are substitutes for workers, this will depress the wage.

4 Panel Evidence from Arkansas

In this section, I use a retrospective panel of tenants to test if increases in the anti-enticement fines levied by the state slowed job-to-job transitions. Schuler (1938) surveyed 27000 tenants all over the United States. Alston and Ferrie (2006) recovered and digitized 220 of the existing manuscripts, all from Jefferson County, Arkansas. Schuler asked, in addition to cross-sectional demographic information in 1937, whether or not each tenant moved in a given year, and what tenure status (wage laborer, sharecropper, tenant, or owner) they had in each year. While there are only two changes in the enticement fine over my sample period, the unique nature of the data makes Jefferson County an illuminating case study.

Sample characteristics are in Table 1. I restrict attention to the 172 black tenants in the sample. The panel is unbalanced, with only 38 workers represented continuously between 1890 (the earliest year) and 1937 (the last year). I rank the tenure status according to the commonly accepted "tenancy ladder", where wage labor is inferior to sharecropping, sharecropping is inferior to fixed rent tenancy, and tenancy is inferior to ownership (Alston and Kaufman 2001).

The text of the 1905 Arkansas law, amended in 1923, reads as follows:

> **Enticing away laborer or renter.** If any persons shall interfere with, entice away, knowingly
> employ, or induce a laborer or renter who has contracted with another person for a specified
> time to leave his employer or the leased premises, before the expiration of his contract without
> the consent of the employer or landlord, he shall, upon conviction before any justice of the
> peace or circuit court, be fined not less than $25 and no more than $500 dollars, and in addition
> shall be liable to such employer or landlord for all advances made by him to said renter or
> laborer by virtue of his contract whether verbal or written, with said renter or laborer, and

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for all damages which he may have sustained by reason thereof.[4]

Figure 1 shows the path of the maximum fine charged in Arkansas until 1937.

While the law includes laborers, it is unlikely that casual agricultural laborers made the explicit contracts of extended duration that fall under the purveyance of the law. This is consistent with the view of the agricultural wage-labor market put forward in Wright (1986), who documents the mobility and high turnover of agricultural wage laborers, compared to that of sharecroppers who signed yearly contracts. It is also consistent with the legal cases above. Therefore, I define the treatment variable as the interaction between the enticement fine and an indicator for sharecropper status, as sharecroppers generally signed yearly contracts. Woodman (1995) also argues that post-Reconstruction sharecropping contracts functioned like yearly labor contracts.

I estimate the following specification, where i indexes individuals and t indexes years:

$$d_{it} = \beta_0 + \beta_1 log(maxfine_t) \times D_{sharecrop}(i, t-1) + \sum_c \beta_c D_c(i, t-1) + \delta_t + \delta_i + X_{it}\beta_2 + \epsilon_{it} \qquad (1)$$

This linear probability specification regresses the outcome variable d_{it} on a set of dummies for tenure status in the preceding year $D_c(i, t-1)$, individual fixed effects, δ_i, year fixed effects δ_t, and a vector of covariates X_{it}. In the baseline specification the covariates include just age and age-squared. In an extended specification I include dummies for previous period relatedness to employer, inheritance of wealth, and marital status as covariates. These are covariates that are likely to influence mobility decisions and choice of tenure.

I also include results (column 5 in tables 2-4) from the following model, which includes tenure-specific trends together with a year quadratic. This allows an estimate of the impact of the time variation in the enticement fine, which is absorbed by the year fixed effects in specification 1. Thus, I estimate:

$$d_{it} = \beta_0 + \beta_1 log(maxfine_t) \times D_{sharecrop}(i, t-1) + \delta_i + X_{it}\beta_2 + \beta_3 log(maxfine_t) + \sum_c \beta_c(D_c(i, t-1) \times t) + \beta_4 t^2 + \epsilon_{it}$$

The three outcome variables I use are dummies. The first one indicates whether or not an individual moved that year. This is my primary measure for labor market mobility in this data, and could be either a geographical move or an employer switch; in an agrarian economy these are likely to be identical. The second dummy indicates whether or not they improved in tenure status relative to the previous year, indicating mobility up the tenancy ladder. The third dummy indicates whether or not they improved in tenure status while simultaneously moving; this is a proxy for a voluntary transition. All specifications include quadratic polynomials in age, as well as year and individual fixed effects. Standard errors, clustered by individual are reported below each coefficient.

Results for the move dummy are in Table 2. Column 1 estimates specification 15 without any controls, besides the lagged tenure dummies, on the full sample. Column 2 adds the controls shown, which

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[4]Arkansas 1937 Session Laws.

lowers the coefficient somewhat. Columns 3 and 4 repeat columns 1 and 2 on the sample ending in 1930 ($t \leq 1930$), resulting in slightly smaller coefficients and larger standard errors, but results are still significant at the 1% level. Column 5 includes tenure-specific trends and the log of the enticement fine, without the year fixed effect, in order to examine the effect of the uninteracted enticement fine on overall mobility. While the β_1 coefficient is relatively unchanged, the log(maxfine) variable itself is insignificant. Column 6 includes interactions between the enticement fine and the other tenure categories on the whole sample. The estimated β_1 rises substantially, but there is a significant (at 10%) negative effect of the fine on tenants. This could be due to either the law being selectively applied to some tenants, or some sharecroppers reporting themselves as tenants, for example using the the category "share-tenant", that was sometimes distinct from sharecropper (Alston and Kaufmann 1997). Column 7, restricted to the sample ending in 1930, shows that this effect of the law on tenants is not robust to excluding the Depression years. Column 8 is a placebo, replacing the lagged values of Laborer, Tenant, Sharecropper and log(maxfine) with the contemporaneous values. It is insignificant at the 10% level, although only marginally so, which may reflect autocorrelation in the independent variable of interest.

The magnitudes of the coefficients are consistent across specifications, implying that a 10% increase in the enticement fine reduces the probability of a sharecropper moving by roughly .5%, a substantial increase given that the mean probability of a move is 17%. This implies that doubling the enticement fine, from its mean of $126 to $252 decreases the probability of a sharecropper moving from 17% to 12%, a 5 percentage point decrease, and a 30% fall.

The same specifications are estimated for movements up the tenure ladder. Results for movement up the tenure ladder are in Table 3. Coefficients are of consistent magnitudes across specifications, except for column 5. The estimates imply that a 10% increase in the enticement fine reduces the probability of a sharecropper improving their tenure status by roughly .3%, a non-trivial increase given that the mean probability of an upward change in tenure is 13.1%. The estimates in column 5 are not significant, as the tenure-specific trends absorb virtually all the variation in upward transitions. However, the tenure-specific trends are likely capturing part of the effect of the law. The placebo regression in column 8 is reassuringly insignificant.

Results for moves that result in improvements in tenure status are in Table 4. This dummy measures whether a worker transitioned both spatially and up the tenancy ladder. This could be interpreted as a rough indicator of a voluntary job-to-job transition, as it involves both a change of employer/location as well as an improvement in tenure status, which is what the model in the appendix directly predicts will be affected by the enticement law. Again, similar to Table 3, a 10% increase in the enticement fine reduces the probability of a voluntary job-to-job transition by between .25% to .3%, a substantial magnitude given that the mean probability of an upward change for a sharecropper is 5.1%. Column 5 is insignificant, again owing to the demanding parametric specification. Again, the placebo regression in column 8 is insignificant.

One concern is that the enticement fine seems to somewhat, albeit not at 10% significance, increase upwards transitions for agricultural wage workers. This occurs both for improvements in tenure status that occur independently of a move and those that occur jointly with a move. Part of this could be a higher order age effect (e.g. cubic or quartic in age) picking up a lifecycle effect not already captured by the age quadratic, as young workers overwhelmingly start as agricultural wage labor. Another potential explanation, not in the model, is that employers substitute towards sharecropping jobs under contract when the enticement fine is higher, as retention of contracted labor becomes easier. Thus landless workers would increase transitions into sharecropping jobs as a result of a different composition of offered jobs due to the enticement fine. However, the standard error is sufficiently large that 0, or even substantial negative effects cannot be ruled out.

5   State-Year Evidence on Wages

In this section, I estimate the impact of anti-enticement laws on agricultural wages, measured at the state-year level. I use the fines from the commission of labor reports, compiled by Holmes (2007). The agricultural wage data is from the 1941 USDA "Crops and Markets" report, available from 1866 to 1930. Not all of the years are available in the wage data, and so most of the specifications are estimated on interpolated log agricultural wages. However, the window of missing data is never larger than 3 years. These are averages across black and white agricultural workers, but there is substantial evidence that there was no black-white wage gap for unskilled agricultural workers (Wright 1986). I also create control variables from interpolated from state-level means from the IPUMS census microdata for 1870-1930.

I restrict attention to the Southern states, which means the 11 states of the Confederacy[5] (plus Kentucky in some specifications). I also restrict attention to the years after a state was redeemed, defined as when Union troops withdrew. This is heterogeneous across states (and Kentucky was not under military rule), and so I run a specification on the entire 1866-1930 period, including Reconstruction and with Kentucky, for robustness. The agricultural wages and fines by state are shown in Figure 2. The BLS reports record the fines charged, damages, as well as whether or not the maximum penalty was the sum of a fine and damages, or the maximum of a fine and damages. I use this information to generate a measure of the severity of the anti-enticement fine, calculating "damages" at 90 days of that years' agricultural wage. Note that any negative effects of this measure on the wage will be smaller in magnitude and perhaps insignificant, as we are introducing a degree of mechanical positive correlation between the dependent and independent variable. Summary statistics are shown in Table 5.

I estimate the following specification:

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[5]The states and the years of military withdrawal are Alabama (1874), Mississippi (1874), Tennessee (1874), Florida (1876), Georgia (1874), North Carolina (1874), South Carolina (1876), Virginia (1874), Arkansas (1874), Louisiana (1876), and Texas (1874).

$$log(wage_{st}) = \gamma + \gamma_1 log(maxfine_{st} + 1) + X_{st}\beta + \delta_s + \delta_t + \mu_{st} \tag{2}$$

Where s indexes states and t indexes years. X_{st} is a vector of covariates that vary at the state-year level, and δ_s and δ_t indicate state and year fixed effects, respectively. The covariates include fraction white, fraction black, literacy, urbanization, fraction working on a farm, and labor force participation, all presented in Table 5. The error term μ_{st} is assumed orthogonal to $maxfine$ conditional on covariates and fixed effects, and is clustered by state, in order to account for within-state autocorrelation in wages and enticement fines. I also estimate (2) using $log(maxfine_{s,(t-1)} + 1)$ as the independent variable, with qualitatively the same results.

Table 6a shows estimates of γ_1 from variants on (2). Table 6b shows estimates from the same specification, except $maxfine$ includes a measure of damages. Column 1 is the baseline specification without controls. Column 2 is a specification with control variables. Column 3 uses all years, including Reconstruction years. Column 4 uses the non-interpolated wage measure alone. Column 5 includes state x year linear trends. Column 6 is restricted to years before a poll tax is passed in each state, in order to rule out confounding political or economic effects of legal disenfranchisement. Column 7 includes a lagged independent variable of interest. Column 8 includes both a lag and a lead of the main independent variable. For robustness concerning the $log(x + 1)$ transformation, the appendix Table A1 replicates Table 6a using the level of $maxfine$ as the independent variable, with results unchanged.

The implied magnitude of the elasticity is between -0.01 and -0.05, implying that a 10% increase in the enticement fine (without damages) decreases wages between 0.11 and 0.17 percent. When potential damages are included, the effect falls to between -0.06 to -0.094%. These are small magnitudes, but are likely underestimates given that the law bound sharecroppers rather than wage laborers. The wage effects are therefore dependent on the substitutability between sharecroppers and wage laborers.

To examine time-paths, I estimate the following:

$$log(wage_{st}) = \gamma + \sum_{i=-k}^{k} \gamma_i log(maxfine_{s,(t+i)}) + X_{st}\beta + \delta_s + \delta_t + \mu_{st} \tag{3}$$

Figure 3 plots the coefficients together with 5% confidence intervals of the γ_i for $k = 10$. The only significant coefficient is γ_0, the contemporaneous effect of the law. Figure 4 plots the cumulative effects $\Gamma_j (\equiv \sum_{i=-k}^{j} \gamma_i$ for $k \geq j \geq -k, k = 3)$ of the enticement fine together with cumulative confidence intervals (at the 10% level because the standard errors are larger due to the accumulation of coefficients), and shows that the cumulative effect becomes significantly negative immediately after the passage of the fine increase and stays negative for a few years.

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5.1   Identification

A natural concern is that the laws are themselves endogenous, perhaps responding to state-level political changes or business cycles that may be themselves correlated with the agricultural wage. I deal with the most obvious omitted variables in this subsection, although the non-experimental nature of the legal changes make it impossible to rule out all potential sources of endogeneity. The bulk of the estimates are restricted to the period after federal troops withdraw from the South, mitigating the obvious concern that the effects of the laws are confounded with the other institutional changes contemporaneous with the reassertion of Southern Democrat control in the 1874-1876 period. Column 6 of Table 7 restricts attention to pre-poll tax years, and the stability of the coefficient suggests that the effect is not driven by changes coming along with disenfranchisement. Column 5, including state-specific linear time trends, does not change the estimated γ_1, again reassuring us that the effects are not merely state-level trends.

In Table 7, I show results from further robustness tests, run with the enticement fine unadjusted for damages in panel A and adjusted for damages in panel B. Column 1 shows that the coefficients are also stable with respect to the inclusion of state-specific quadratic polynomials in time. Column 2 interacts the enticement fine with the demeaned cotton price as well as allowing for state specific effects of the cotton price. The main effect increases substantially, suggesting that if the law is endogenous to the cotton price, it seems to be in a direction that goes against finding a substantial negative effect. This suggests that the underlying cotton price is affecting the wage, but not the fine. Consistent with this, the effect rises more in the specification with the unadjusted fine (panel A) than in the specification with the adjusted fine (panel B), as the adjusted fine would incorporate the effect of the wage on amount of the sanction. Column 3 reports results from the baseline specification with the level of the agricultural wage as a dependent variable. While the coefficient in panel A is insignificant, it is negative with a p-value of 0.14. The coefficient in panel B is significant at the 5% level and negative. In Column 4, I use the maximum licence fees charged emigrant agents, another type of labor mobility restriction (Bernstein 2001), as a dependent variable in specification , and find that there is no significant effect of enticement fines on emigrant agent licence fees. This suggests that the laws are also not merely a proxy for other political changes that increase the power of planters dependent on secure labor; if this were true then emigrant agent fees would likely have gone up at the same time.

6   Wage-Age Profiles

In this section I use individual level 1940 census data from IPUMS to test predictions about the returns to experience. Search theory attributes part of the returns to experience as the result of finding better jobs. If the model in the appendix is correct, then the returns to experience for African-Americans working in agriculture should be lower, the longer they have lived under high anti-enticement fines. This is presented formally in the appendix, and implies that living longer under higher enticement fines should lower the returns to experience/age. I estimate the effect of anti-enticement fines on blacks in a number of different samples of males 15-65. I construct samples of Southern and Southern-born blacks who were working on a farm in 1935 and in 1940, as these are the likeliest to have still been affected by the laws

despite the Depression and the New Deal. While the model above is restricted to the agricultural sector, it is straightforward to extend it to include a distribution of wage offers from other regions (e.g. the U.S. North) or sectors (e.g. Industry). In either case, the wage offer at which a person would be willing to leave would be lower, the longer they had been living under an anti-enticement law. Living under an anti-enticement law for a prolonged period could result in a permanently lower return to experience, even for those who are no longer working in agriculture in 1940, although this effect should dampen over time.

I estimate the cross-sectional returns to age for blacks interacted with the log of the mean enticement fine in their state of birth, where the mean is taken starting at age 15 until the year 1930, the last year for which I have data. The main variation in identifying this regression is coming from age variation in 1940 together with state-year variation in levels of anti-enticement fines. Note that because I do not observe year of migration for the Southern-born sample, this will cause estimates in that sample to be downwards biased, although this may be offset by selectivity in the migration decision. Also, wage data is missing for many agricultural workers in 1940, particularly in the U.S. South, which is one reason to use the sample of people working on a farm in 1935. I estimate the following individual level regression on 1940 census data:

$$
\begin{aligned}
\log(w_i) \quad = \quad & \beta_0 + \beta_1(T_{is} \times age_i) + \beta_2 T_{is} + \sum_s (\beta_{3s}(\delta_s \times age) + \beta_{4s}(\delta_s \times age_i^2)) + \beta_5 age_i^3 \\
+ \quad & \beta_6 age_i^4 + \delta_{educ} + \delta_{SEA} + \epsilon_i
\end{aligned}
$$

where i denotes individuals and s denotes state of birth. δ_{educ} is an education fixed effect, one for each of 9 levels of education recoded by IPUMS, and δ_{SEA} is a state-economic-area fixed effect. SEA is the smallest geographic unit in the 1940 IPUMS data and consists of groups of contiguous counties. If we let yob denote year of birth and t index years, I define T_{is} as the average of the enticement fine over an individual's working life (until 1930). This should capture the idea that the higher the enticement fine an individual has experienced over their lifecycle, the lower the return to experience should be, because of the fewer outside offers received. Thus T_{is} is given by :

$$
T_{is} = log(\frac{\sum_{t=yob_i+15}^{1930} maxfine_{ts}}{age_i - 10}) \tag{4}
$$

Following the specification for age earnings profiles suggested by Murphy and Welch (1990), I also control for a quartic polynomial in age. The age variable is demeaned and divided by 10. In additional specifications, I include controls for veteran status, employment status, and residence in a 1940 metropolitan area. Summary statistics are presented in Table 8. All standard errors are clustered at the state level. The sign prediction from the model is that $\beta_1 < 0$ in equation (4). The returns to age for African Americans in agriculture should be lower, the higher the mean enticement fine experienced over their working lives.

Results for β_1 are presented in Table 9. Results are negative, consistent in magnitude, and significant in all subsamples and specifications. Columns 1 and 2, estimated on the subpopulation working on a

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Southern farm in 1940, imply an elasticity of -6.4% per decade, with controls increasing the coefficient by a negligible amount. Thus, a 32 year old black male working under a 20% higher average enticement fine($32), would find his earnings after 10 years fall by 12.8%. In terms of magnitudes, this is roughly $130, which would translate into $1600 in 2000. Re-estimating on the subpopulation working on a Southern farm in 1935, reported in columns 3 and 4, reduces the coefficient magnitude to -0.06, indicating that there may be selection out of the agricultural sector between 1935 and 1940. Columns 5 and 6 are estimated on the population of all Southern-born blacks in the U.S. working on a farm in 1940, and the coefficient stays remarkably stable. Columns 7 and 8, estimated on the population of Southern-born blacks working on farms in 1935, show smaller effects and larger standard errors, although they remain significant at the 10% level, implying an elasticity of -0.52% per year. In all subsamples, the controls do not affect the coefficient of interest. While not shown, results are robust to a variety of less stringent specifications, including omitting the state-specific quadratics and the quartic polynomial in age.

7   Conclusion

This paper estimates the impact of anti-enticement laws, which restricted the recruitment of already employed sharecroppers, on a variety of labor market outcomes. I find that these laws lowered labor market mobility, wages, and the returns to experience for black agricultural workers. Anti-enticement laws are just one of the panoply of mobility restrictions that planters resorted to in the U.S. South. However, owing to their enforcement by employers against each other, they are the among the most likely to have followed the letter of the law rather than the whim of the local sheriff.

The results presented here shed light on labor markets in rural settings that mirror the U.S. South. Firstly, institutions that restrict competition among employers, as seen in many post-slavery labor markets, seem to not be mere legal window dressing, as some scholars have held, but rather have a real effect on reducing workers' outside options. Secondly, these institutions can be readily interpreted within the framework of standard job search models. Understanding other dimensions of tied labor, historically pervasive and often studied by development economists (Bardhan 1982, Mukherjee and Ray 1995), through the lens of dynamic monopsony may be a fruitful area of future research. Finally, despite the unique context and period, the results here are consistent with research that suggests that employer competition and job-to-job transitions are important determinants of labor market outcomes.

The anti-enticement laws deployed in the collective interest of post-bellum Southern planters effectively depressed wages and reduced labor mobility of black workers. The anti-enticement laws were but one of the institutional arrangements deployed by planters to collectively secure labor; further work could examine the role of other legal artifices, such as vagrancy laws and the convict-leasing system. The impacts of the matrix of labor repressive institutions in the South on both African-American economic outcomes as well as regional economic development is deserving of more extensive work.

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8 Appendix: A Simple Search Model

I construct a simple model of on-the-job search with wage and share contracts. Besides unifying the various empirical strategies in the paper, the model generates comparative statics about the effect of an increase in an enticement fine on a) the offer arrival rate, b) movements up the tenancy ladder, c) the agricultural wage (despite the law only binding on sharecroppers), and d) returns to experience. For simplicity, this model intentionally omits many of the important features of sharecropping and the southern labor market, such as education (Margo 1990), family labor, and seasonality (Whatley 1985).

There is a mass 1 of workers. The common rate of time preference is given by r. Employers have a constant returns technology that returns p per unit sharecropping labor. Workers reservation position is a competitive casual labor market, and perceive sharecropping offers at a rate λ. The share paid in a first sharecropping contract is fixed exogenously at σ, and contracts terminate at at an exogenous rate s. However, I adopt the sequential auction bidding of Postel-Vinay and Robin (2002) and Shimer (2003) when sharecroppers encounter another sharecropping offer. Workers renegotiate their current contract in light of their new offer, inducing their employers to competitively bid for them. Thus, employers bid up the share of the surplus to 1, so that all the product goes to the worker. While admittedly extreme, this is both analytically tractable and realistic, as Reid (1973) shows that Southern sharecroppers often renegotiated their contracts in light of changing circumstances. It also has a clear interpretation in terms of movement up the tenancy ladder, which is a transition from sharecropping to cash-tenancy or ownership, which we can measure in the data.

Thus, workers have three possible states: casual wage worker, first contract, and second contract, with values denoted by V^w, V^s, and $\overline{V}$ respectively. The value function for workers in the agricultural labor market at wage w, V^w, satisfies:

$$(r + \lambda)V^w = w + \lambda V^s \tag{5}$$

This reflects that agricultural workers transition into a first sharecropping contract, where they get V^s, at rate λ. V^s, then, is characterized by:

$$(r + \lambda + s)V^s = \sigma p + \lambda \overline{V} + sV^w \tag{6}$$

Thus, the flow payoff from a sharecropping contract is σp, which is a share σ of p, the output produced. At a rate s, sharecropping contracts terminate and the worker enters the agricultural wage labor market, getting V^w. At the rate λ, a sharecropper gets offered another contract which gives value $\overline{V}$, characterized by:

$$(r + s)\overline{V} = p + sV^w \tag{7}$$

This reflects the fact that the second contract gives per-period payoff p, because of the sequential auction that employers engage in over the payment, which bids the fraction of the output going to the worker to 1. These contracts also terminate exogenously at rate s.

Turning now to employers, they choose whether or not to offer a sharecropping job. We assume they do not offer wage contracts, because they need committed labor over the harvest period. A sharecropping offer is only valuable if they contact an agricultural worker, because the sequential auction induced when a contact is made with a sharecropper eliminates all the surplus accruing to the employer. Thus, the value of filling a sharecropping vacancy with a contacted agricultural wage worker, denoted J^s, is given by:

$$(s + \lambda + r)J^s = (1 - \sigma)p \tag{8}$$

When employers contact agricultural workers, they make a take-it or leave-it offer so that we have $V^w = V^s$, which implies that $V^w = \frac{w}{r}$ and $\overline{V} = \frac{rp + sw}{r(r+s)}$, after some algebra, we get an expression for the wage:

$$w = \frac{p(\sigma(r + s) + \lambda)}{(r + s)(r + s + \lambda)} \tag{9}$$

We do not allow employers to offer jobs conditional on employment status. Therefore, if an employer offers a contract to a worker already bound by a sharecropping contract, the employer has to pay a fine K. This is consistent with some ambiguity in the enticement statutes over whether or not an employer had to *knowingly* employ a worker under contract to someone else to be prosecuted. Thus, if we allow free-entry of job-postings, the expected returns to posting a sharecropping contract are:

$$J^s N^w - K(1 - N^w) = 0 \tag{10}$$

Where N^w denotes the mass of workers working in wage labor and $N^s (= 1 - N^w)$ denotes the mass of workers working on sharecropping contracts. N^w is a state variable whose motion is characterized by:

$$\frac{dN^w}{dt} = s(1 - N^w) - \lambda N^w \tag{11}$$

This implies a steady state value of N^w given by:

$$N^w = \frac{s}{s + \lambda} \tag{12}$$

A steady state equilibrium in this model is a triple (w^*, N^{w*}, λ^*) that satisfies (9), (12), and (10). This implies the following equilibrium solutions:

$$(s + r + \lambda^*)\lambda^* = \frac{s(1 - \sigma)p}{K} \tag{13}$$

which implies

$$\frac{d\lambda^*}{dK} < 0 \tag{14}$$

Increases in the enticement fine lower the job-to-job transition rate.

We can take the positive root of this equation to get:

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$$\lambda^* = \frac{\sqrt{(r+s)^2 + \frac{4s(1-\sigma)p}{K}} - r - s}{2} \tag{15}$$

where we assume that $r + s$ is sufficiently small so that $\lambda^* > 0$.

With this solution for λ^* we can easily calculate w^* and N^{w*} using (9) and (12). From (9) and since $\sigma < 1$, we have:

$$\frac{dw}{d\lambda} > 0 \to \frac{dw}{dK} < 0 \tag{16}$$

Increases in the enticement fine lower the wage.

If we are willing to assume that s is small, we can approximate the payoff trajectory facing sharecroppers in their first contract as:

$$y(t) \approx p\sigma e^{-\lambda t} + p(1 - e^{-\lambda t}) \tag{17}$$

with the clear implication, from (14) and the fact that $\sigma < 1$ that:

$$\frac{d^2 y(t)}{dt dK} < 0 \tag{18}$$

Increases in the enticement fine lower the returns to experience.

The three comparative statics in (14), (16), and (18) are the focus of testing in the empirical sections.
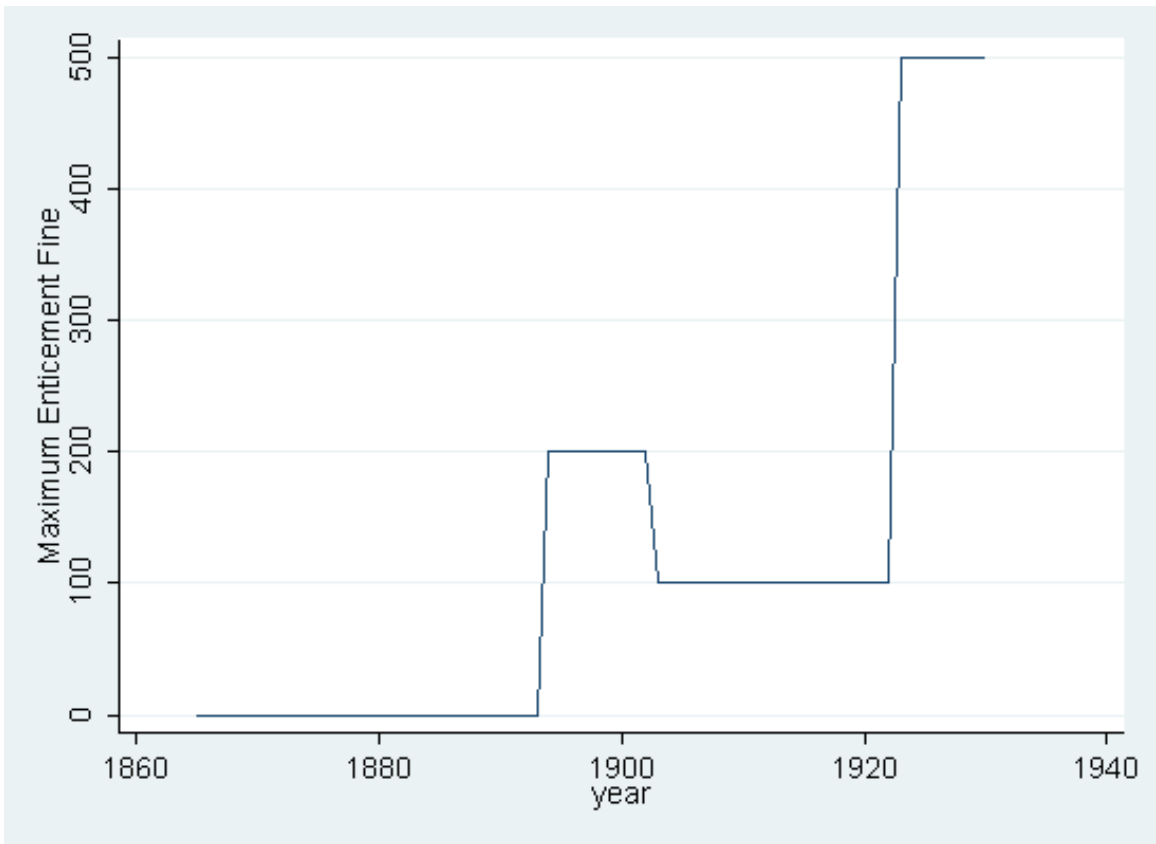
Figure 1: Arkansas Maximum Enticement Fine
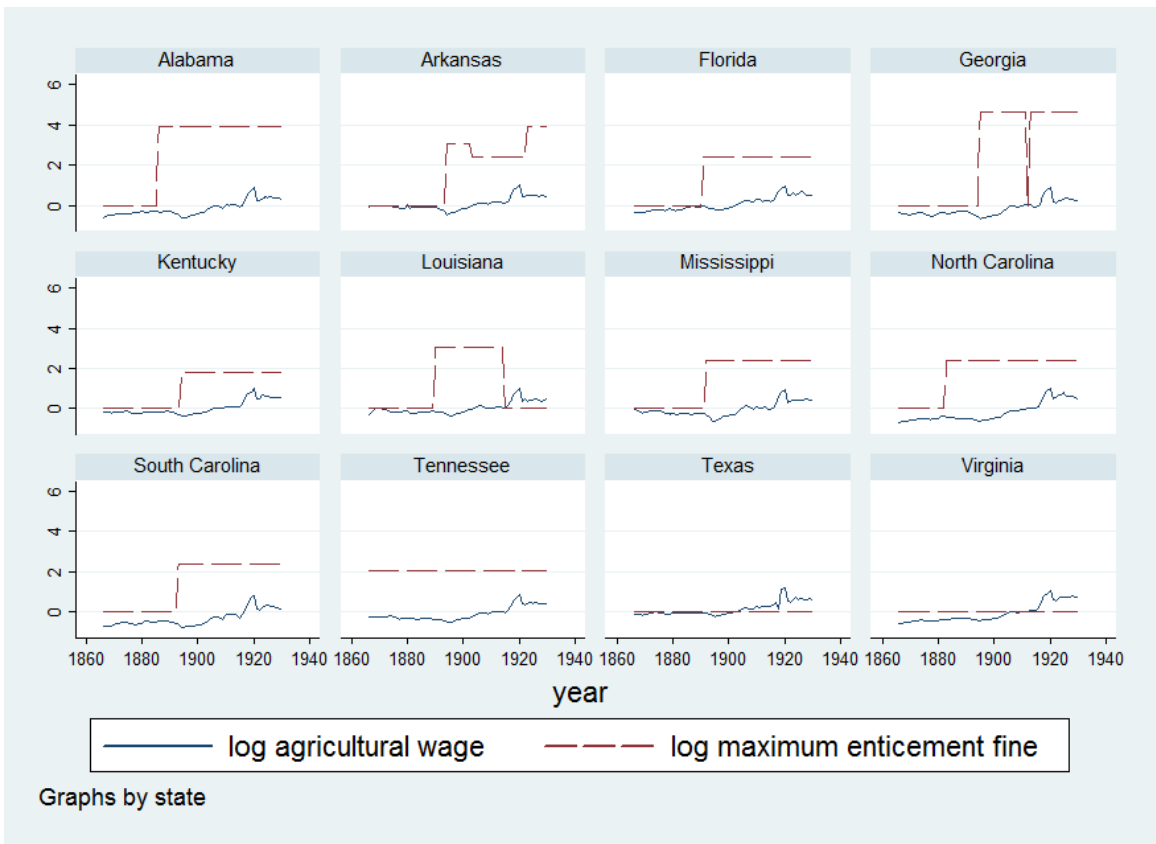
Figure 2: State Wages and Enticement Fines

Figure 3: Enticement Fine Leads and Lags
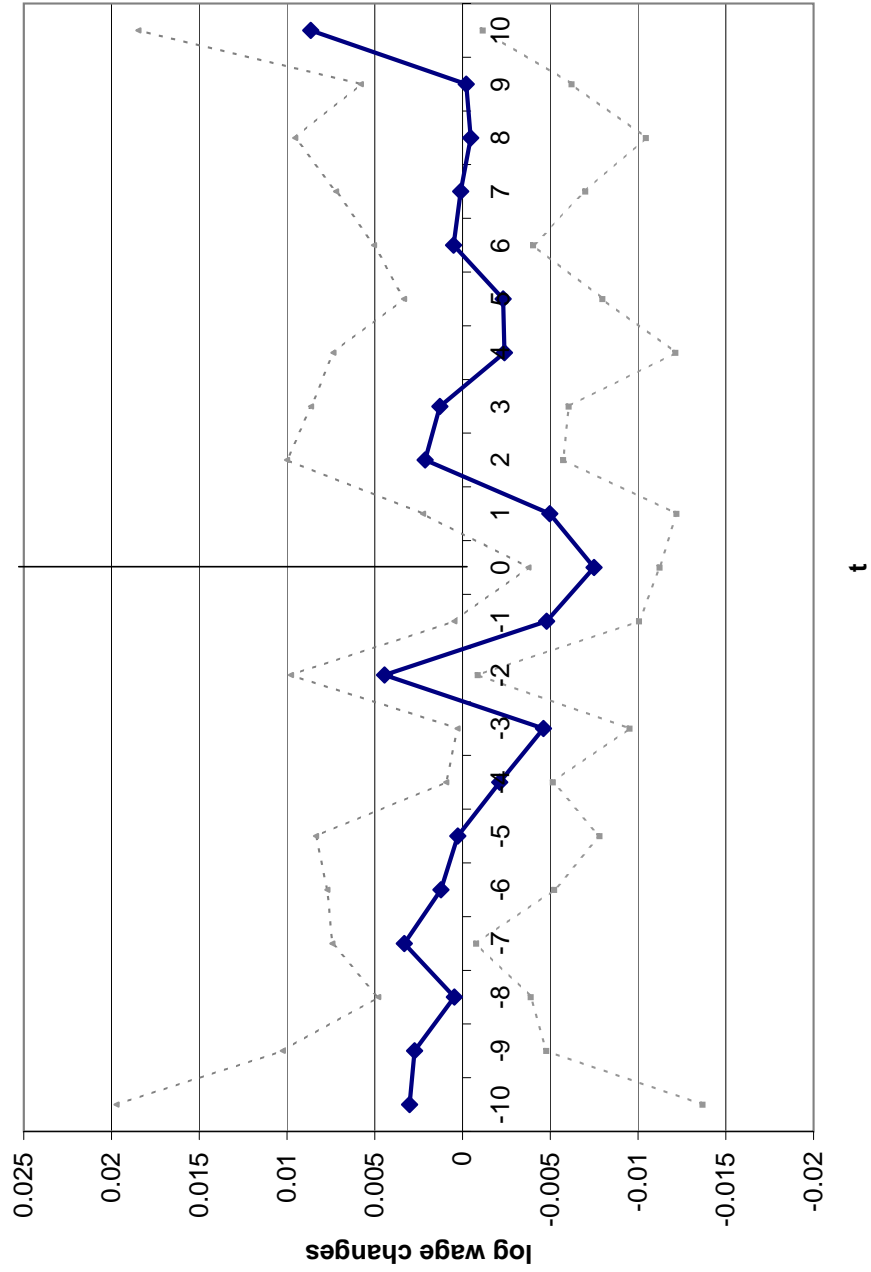
Figure 3: Coefficients from lead and lag values of the enticement fine, together with 5% confidence intervals. State and year fixed effects included.

Figure 4:Cumulative Effect of Anti-Enticement Fine on Log Agricultural Wage
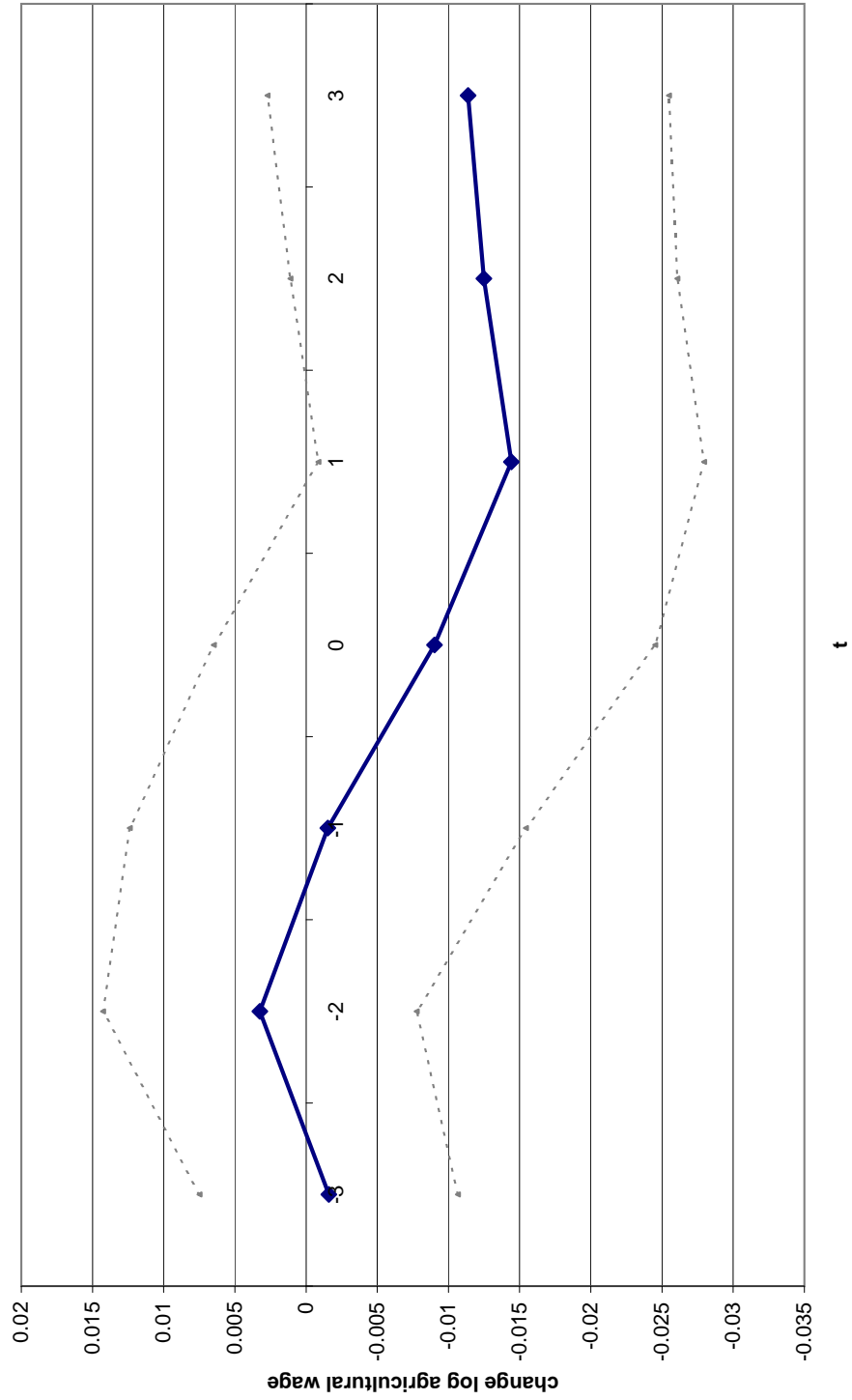
Figure 4: 10% confidence intervals. Standard errors and coefficients are cumulatively added from the 3rd lag forward. State and year fixed effects are included.

Table 1: Summary Statistics for Alston and Ferrie Data

	mean	std. dev.
log(Maxfine)	5.48	0.74
Move	0.17	0.37
Move to Improved Tenure	0.05	0.23
Tenure Improvement	0.05	0.22
Owner	0.15	0.35
Tenant	0.26	0.44
Sharecropper	0.35	0.48
Wage Laborer	0.24	0.43
Married	0.89	0.32
Inherited Property	0.91	0.28
Related to Employer	0.11	0.31
Age	35.95	14.22

Notes: Black male individuals only. N=4566, with 172 individuals.

Table 2: Effect of Maximum Enticement Fine on Sharecropper Mobility

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
log(Maxfine) x Sharecropper(t-1)	-0.065	-0.059	-0.054	-0.048	-0.046	-0.077	-0.055	
	(0.020)	(0.020)	(0.023)	(0.023)	(0.025)	(0.022)	(0.022)	
Sharecropper(t-1)	0.18	0.20	0.25	0.26		0.24	0.13	
	(0.033)	(0.037)	(0.038)	(0.043)		(0.16)	(0.18)	
Laborer(t-1)	0.56	0.52	0.54	0.51		0.62	0.54	
	(0.12)	(0.12)	(0.13)	(0.13)		(0.13)	(0.13)	
Tenant(t-1)	0.14	0.14	0.16	0.17		0.34	0.31	
	(0.029)	(0.034)	(0.033)	(0.038)		(0.11)	(0.12)	
Related to Employer		0.083		0.083	0.080	0.082	0.083	0.019
		(0.031)		(0.035)	(0.032)	(0.031)	(0.035)	(0.029)
Inherited Property		0.14		0.17	0.13	0.13	0.17	0.11
		(0.041)		(0.048)	(0.041)	(0.042)	(0.049)	(0.048)
Married		-0.14		0.97	-0.16	-0.15	0.97	0.051
		(0.034)		(0.049)	(0.035)	(0.033)	(0.049)	(0.028)
log(Maxfine)					0.0089			
					(0.014)			
log(Maxfine) x Tenant(t-1)						-0.037	-0.028	
						(0.021)	(0.023)	
log(Maxfine) x Laborer(t-1)						-0.0071	0.027	
						(0.029)	(0.034)	
log(Maxfine) x Sharecropper(t)								-0.032
								(0.019)
Last Year of Sample	1937	1937	1930	1930	1937	1937	1930	1937
Quadratic in Age	Y	Y	Y	Y	Y	Y	Y	Y
Individual FE	Y	Y	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	N	Y	Y	Y
Tenure-Specific Trends	N	N	N	N	Y	N	N	N
Number of Individuals	172	172	169	169	172	172	169	172
N	4566	4566	3484	3484	4566	4566	3484	4566

Notes:Dependent variable is a binary variable indicating a move in year t. Unbalanced panel. All specifications include quadratic polynomials in age, as well as year and individual fixed effects. The omitted group is landowners. Standard errors, clustered by individual are reported below each coefficient. Column 1 estimates specification 15 without any controls on the full sample. Column 2 adds the controls shown. Columns 3 and 4 repeat columns 1 and 2 on the sample ending in 1930. Column 5 includes tenure-specific trends and the log of the enticement fine, without year fixed effect. Column 6 includes interactions between the enticement fine and the other tenure categories on the whole sample. Column 7 repeats column 6, except restricted to the sample ending in 1930. Column 8 is a placebo, replacing the lagged values of Laborer, Tenant, Sharecropper and log(maxfine) with the contemporaneous values.

Table 3: Effect of Maximum Enticement Fine On Improvements in Tenure Status

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
log(Maxfine) x Sharecropper(t-1)	-0.032	-0.025	-0.032	-0.026	-0.0071	-0.022	-0.022	
	(0.010)	(0.011)	(0.012)	(0.012)	(0.012)	(0.012)	(0.013)	
Sharecropper(t-1)	0.31	0.32	0.35	0.36		0.14	0.14	
	(0.024)	(0.026)	(0.030)	(0.033)		(0.11)	(0.13)	
Laborer(t-1)	0.33	0.29	0.35	0.32		0.27	0.29	
	(0.064)	(0.067)	(0.067)	(0.071)		(0.071)	(0.075)	
Tenant(t-1)	0.049	0.050	0.062	0.064		0.11	0.13	
	(0.016)	(0.019)	(0.018)	(0.023)		(0.061)	(0.067)	
Related to Employer		0.091		0.093	0.086	0.091	0.093	0.021
		(0.025)		(0.032)	(0.025)	(0.025)	(0.031)	(0.019)
Inherited Property		0.12		0.15	0.12	0.12	0.15	0.062
		(0.036)		(0.043)	(0.037)	(0.036)	(0.042)	(0.032)
Married		-0.22		0.98	-0.20	-0.21	0.98	0.15
		(0.023)		(0.035)	(0.026)	(0.023)	(0.034)	(0.017)
log(Maxfine)					-0.0016			
					(0.0089)			
log(Maxfine) x Tenant(t-1)						-0.011	-0.013	
						(0.011)	(0.012)	
log(Maxfine) x Laborer(t-1)						0.034	0.043	
						(0.020)	(0.026)	
log(Maxfine) x Sharecropper(t)								0.0054
								(0.011)
Last Year of Sample	1937	1937	1930	1930	1937	1937	1930	1937
Quadratic in Age	Y	Y	Y	Y	Y	Y	Y	Y
Individual FE	Y	Y	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	N	Y	Y	Y
Tenure-Specific Trends	N	N	N	N	Y	N	N	N
Number of Individuals	172	172	169	169	172	172	169	172
N	4566	4566	3484	3484	4566	4566	3484	4566

Notes:Dependent variable is a binary variable indicating an improvement in tenure status in year t, where the ranking is: owner > tenant > sharecropper > wage laborer. Unbalanced panel. All specifications include quadratic polynomials in age, as well as individual fixed effects. The omitted group is landowners. Standard errors, clustered by individual are reported below each coefficient. Column 1 estimates specification 15 without any controls on the full sample. Column 2 adds the controls shown. Columns 3 and 4 repeat columns 1 and 2 on the sample ending in 1930. Column 5 includes tenure-specific trends and the log of the enticement fine, without year fixed effect. Column 6 includes interactions between the enticement fine and the other tenure categories on the whole sample. Column 7 repeats column 6, except restricted to the sample ending in 1930. Column 8 is a placebo, replacing the lagged values of Laborer, Tenant, Sharecropper and log(maxfine) with the contemporaneous values.

Table 4: Effect of Maximum Enticement Fine on Sharecropper Moves to Improved Tenure Status

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
log(Maxfine) x Sharecropper(t-1)	-0.034	-0.027	-0.034	-0.028	-0.0066	-0.022	-0.023	
	(0.010)	(0.011)	(0.012)	(0.012)	(0.012)	(0.011)	(0.012)	
Sharecropper(t-1)	0.29	0.30	0.32	0.34		0.12	0.14	
	(0.025)	(0.026)	(0.030)	(0.034)		(0.11)	(0.13)	
Laborer(t-1)	0.33	0.29	0.35	0.32		0.26	0.29	
	(0.064)	(0.068)	(0.069)	(0.074)		(0.071)	(0.076)	
Tenant(t-1)	0.049	0.052	0.062	0.064		0.083	0.098	
	(0.016)	(0.020)	(0.019)	(0.025)		(0.061)	(0.068)	
Related to Employer		0.087		0.090	0.082	0.087	0.090	0.023
		(0.024)		(0.030)	(0.024)	(0.024)	(0.030)	(0.019)
Inherited Property		0.12		0.16	0.12	0.12	0.15	0.068
		(0.034)		(0.040)	(0.035)	(0.034)	(0.040)	(0.033)
Married		-0.20		0.98	-0.18	-0.20	0.98	0.14
		(0.023)		(0.033)	(0.027)	(0.023)	(0.033)	(0.016)
log(Maxfine)					0.0014			
					(0.0089)			
log(Maxfine) x Tenant(t-1)						-0.0061	-0.0070	
						(0.011)	(0.012)	
log(Maxfine) x Laborer(t-1)						0.032	0.038	
						(0.019)	(0.025)	
log(Maxfine) x Sharecropper(t)								0.0030
								(0.011)
Last Year of Sample	1937	1937	1930	1930	1937	1937	1930	1937
Quadratic in Age	Y	Y	Y	Y	Y	Y	Y	Y
Individual FE	Y	Y	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	N	Y	Y	Y
Tenure-Specific Trends	N	N	N	N	Y	N	N	N
Number of Individuals	172	172	169	169	172	172	169	172
N	4566	4566	3484	3484	4566	4566	3484	4566

Notes:Dependent variable is a binary variable indicating a move in year t to an improved tenure status, where the ranking is: owner > tenant > sharecropper > wage laborer. Unbalanced panel, with 178 individuals. All specifications include quadratic polynomials in age, as well as year and individual fixed effects.The omitted group is landowners. Standard errors, clustered by individual are reported below each coefficient. Column 1 estimates specification 15 without any controls on the full sample. Column 2 adds the controls shown. Columns 3 and 4 repeat columns 1 and 2 on the sample ending in 1930. Column 5 includes tenure-specific trends and the log of the enticement fine, without year fixed effect. Column 6 includes interactions between the enticement fine and the other tenure categories on the whole sample. Column 7 repeats column 6, except restricted to the sample ending in 1930. Column 8 is a placebo, replacing the lagged values of Laborer, Tenant, Sharecropper and log(maxfine) with the contemporaneous values.

Table 5: State-Year Summary Statistics(Levels)

	Post-Reconstruction			W/Reconstruction and Kentucky		
	N	mean	std. dev.	N	mean	std. dev.
Agricultural Wage (interpolated)	445	0.83	0.19	732	1.04	0.46
Agricultural Wage	242	0.85	0.21	456	1.18	0.52
Max. Enticement Fine	445	126.75	228.01	732	126.81	234.12
Max. Enticement Fine (w/ damages)	445	154.81	237.86	732	157.34	244.66
Fraction Black	445	0.41	0.12	732	0.38	0.13
Literacy Rate	445	0.50	0.08	732	0.53	0.10
Urbanization Rate	445	0.12	0.06	732	0.15	0.09
Fraction on Farm	445	0.59	0.10	732	0.57	0.11
Labor Force Participation Rate	445	0.50	0.02	732	0.51	0.03
Cotton Price/Pound	437	8.96	1.93	660	12.21	6.54
Emigrant Agent Fine	445	294.66	889.92	732	357.93	1008.41
Population	445	769326	307609	732	835112.5	375313

Notes: ag wage from USDA Crops and Markets. Maximum Enticement Fine is from Holmes (2007) and historical BLS documents on labor laws in the states. The other variables are computed from aggregating the IPUMS census samples to the state level and linearly interpolating. The Post-Reconstruction states and year of Redemption are Alabama(1874), Mississippi(1874), Tennessee(1874), Florida(1876), Georgia(1874), North Carolina(1874), South Carolina(1876), Virginia(1874), Arkansas(1874), Louisiana(1876), and Texas(1874). The last year is 1930 for both samples.

Table 6a: Effect of Anti-Enticement Fine on State Agricultural Wages

	Dependent Variable: log agricultural wage							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(Maxfine)	-0.011	-0.010	-0.017	-0.012	-0.015	-0.014	-0.013	-0.0066
	(0.0061)	(0.0047)	(0.011)	(0.0049)	(0.0043)	(0.0055)	(0.0039)	(0.0014)
Log(Maxfine)(t-1)							-0.0032	-0.0019
							(0.0049)	(0.0058)
Log(Maxfine)(t+1)								-0.0029
								(0.0069)

Table 6b: Effect of Anti-Enticement Fine(Including Damages) on State Agricultural Wages

	Dependent Variable: log agricultural wage							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(Maxfine) (w. damages)	-0.0087	-0.0071	-0.0094	-0.0081	-0.0073	-0.0087	-0.0065	-0.0041
	(0.0038)	(0.0033)	(0.0063)	(0.0033)	(0.0028)	(0.0030)	(0.0024)	(0.00089)
Log(Maxfine) (w. damages)(t-1)							-0.0011	-0.0023
							(0.0031)	(0.0036)
Log(Maxfine) (w. damages)(t+1)								-0.0019
								(0.0040)
Interpolated Census Controls:	N	Y	Y	Y	Y	Y	Y	Y
pre-Disenfranchisement Sample	N	N	N	N	N	Y	N	N
Include Reconstruction Years	N	N	Y	N	N	N	N	N
State Specific Trends	N	N	N	N	Y	N	N	N
States	11	11	12	11	11	11	11	11
State FE	Y	Y	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y	Y	Y
N	445	445	732	242	445	265	445	445

Notes: Dependent variable is log of the agricultural wage in a state-year. State and year fixed effects are included in all specifications. Regressions are generally restricted to post-Reconstruction years. Controls are interpolated aggregates from the census(Fraction black, literate, urban, working on a farm, and labor force participation rate). Robust standard errors are reported in parentheses, and are clustered by state. Column 1 is the baseline specification without covariates. Column 2 is adds control variables. Column 3 uses all years, including Reconstruction years. Column 4 uses the non-interpolated wage measure alone. Column 5 includes state x year linear trends. Column 6 is restricted to years before a poll tax is passed in each state. Column 7 includes a lagged independent variable of interest. Column 8 includes both a lag and a lead of the main independent variable.

Table 7a: Effect of Anti-Enticement Fine on State Agricultural Wages: Robustness

	log(ag wage)	log(ag wage)	ag wage	log agent fine
	(1)	(2)	(3)	(4)
Log(Maxfine)	-0.014	-0.029	-0.0060	0.10
	(0.0044)	(0.0084)	(0.0041)	(0.11)
Log(Maxfine) x log(cotton price)		0.0029		
		(0.0015)		

Table 7b: Anti-Enticement Fine(w. Dam) on State Agricultural Wages: Robustness

	log(ag wage)	log(ag wage)	ag wage	log agent fine
	(1)	(2)	(3)	(4)
Log(Maxfine) (w. dam)	-0.0072	-0.013	-0.0049	-0.0070
	(0.0028)	(0.0053)	(0.0029)	(0.064)
Log(Maxfine) (w. dam) x log(cotton price)		0.00084		
		(0.00072)		
N	445	437	445	445
State-specific Cotton Price Effect	N	Y	N	N
State FE	Y	Y	Y	Y
Year FE	Y	Y	Y	Y
State-specific quadratic time trend	Y	N	N	N
Covariates	Y	Y	Y	Y

Notes: Dependent variable is log of the agricultural wage in a state-year. State and year fixed effects are included in all specifications. Regressions are generally restricted to post-Reconstruction years. Covariates are interpolated aggregates from the census, discussed in the text. Robust standard errors are reported in parentheses, and are clustered by state. Columns 1 is the baseline specification with state-specific quadratic polynomials in time as additional controls. Columns 2 interacts the enticement fine with the demeaned cotton price as well as allowing for state specific effects of the cotton price. Column 3 has the level of the agricultural wage as a dependent variable. Column 4 uses the log of the emigrant agent fine as a dependent variable.

Table 8:1940 Census Summary Statistics

	N	mean	std. dev
log(Wage Income)	5973	5.23	0.90
log(Mean Max Enticement Fine)	5973	2.83	2.68
Age	5973	32.16	12.60
South Born	5973	0.99	0.07
South	5973	0.95	0.22
1935 Farm Employment	5973	0.78	0.41
1940 Farm Employment	5973	0.81	0.39
Veteran Status	5973	0.35	0.81
Employment Status	5973	1.08	0.34
Metropolitan Status	5973	1.26	0.73

Note: sample restricted to black men aged 15-65 born or living in the South in 1940 and working on a farm in 1935 or 1940. Metropolitan status takes on values ranging from 0 to 4. Employment status takes on values from 0 to 2.

Table 9 : Effect of Anti-Enticement Fine on Black Returns to Experience

	dependent variable: log(wage income) in 1940							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
log(Mean Maxfine) x age	-0.064	-0.065	-0.060	-0.059	-0.062	-0.061	-0.052	-0.053
	(0.024)	(0.022)	(0.034)	(0.031)	(0.025)	(0.022)	(0.035)	(0.031)
log(Mean Maxfine)	-0.26	-0.26	-0.24	-0.24	-0.25	-0.25	-0.20	-0.21
	(0.11)	(0.10)	(0.16)	(0.14)	(0.12)	(0.10)	(0.16)	(0.15)
Year on Farm	1940	1940	1935	1935	1940	1940	1935	1935
Controls	N	Y	N	Y	N	Y	N	Y
All South Born	N	N	N	N	Y	Y	Y	Y
N	4756	4756	4443	4443	4869	4869	4662	4662
R2	0.149	0.163	0.164	0.180	0.166	0.181	0.208	0.224

Note: Dependent variable is log of annual wage income. Sample restricted to black men aged 15-65 born or living in the South in 1940 and working on a farm in 1935 or 1940. Robust standard errors, clustered by state. All specifications include education fixed effects, state-economic area fixed effects, quartic polynomials in age, as well as state-specific quadratic polynomial in age. Controls are dummies for different values of veteran status, current employment status, and residence in a 1940 metro area.

Table A1: Effect of Level of Anti-Enticement Fine on State Agricultural Wages

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Maxfine	-0.038	-0.034	-0.069	-0.049	-0.082	-0.07	-0.07	-0.027
	(0.03)	(0.02)	(0.03)	(0.02)	(0.02)	(0.03)	(0.02)	(0.01)
Maxfine(t-1)							-0.02	0.011
							(0.01)	(0.02)
Maxfine(t+1)								-0.02
								(0.03)
Covariates:	N	Y	Y	Y	Y	Y	Y	Y
N	445	445	732	242	445	265	445	445

Notes: Coefficients and standard errors multiplied by 1000 for legibility. Dependent variable is log of the agricultural wage in a state-year. State and year fixed effects are included in all specifications. Regressions are restricted to post-Reconstruction years except column 3. Covariates are interpolated aggregates from the census, discussed in the text. Robust standard errors are reported in parentheses, and are clustered by state. Column 1 is the baseline specification without covariates. Column 2 is adds control variables. Column 3 uses all years, including Reconstruction years. Column 4 uses the non-interpolated wage measure alone. Column 5 includes state x year linear trends. Column 6 is restricted to years before a poll tax is passed in each state. Column 7 includes a lagged independent variable of interest. Column 8 includes both a lag and a lead of the main independent variable.