

Democratization, De Facto Power, and Taxation: Evidence from Military Occupation during Reconstruction

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Abstract

How important is the enforcement of political rights in new democracies? We use the enfranchisement of the emancipated slaves following the American Civil War to study this question. Critical to our strategy, black suffrage was externally enforced by the U.S. Army in ten Southern states during Reconstruction. We employ a triple-difference model to estimate the joint impact of enfranchisement and its enforcement on taxation. We find that occupied counties where black voters comprised larger shares of the electorate levied higher taxes compared to similar non-occupied counties. These counties later experienced greater declines in taxation after the troops were withdrawn. We also demonstrate that in occupied counties, black politicians were more likely to be elected, and political murders by white supremacist groups occurred less frequently. These findings provide evidence on the key role of federal troops in limiting the elite capture by force during this period.

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1 Introduction

The impact of democratization on public policy is at the core of key debates in comparative politics. For instance, the canonical model in the literature predicts that extending the franchise to poorer voters should increase the size of the state (Meltzer & Richard 1981). Yet the evidence that democratization results in greater taxation is at best inconclusive.¹ While the absence of a robust relationship has led some to question the link between democratization and redistributive taxation (e.g., Ansell & Samuels 2014), others have emphasized the importance of *de facto* political power in new democracies (e.g., Acemoglu & Robinson 2008; Martinez-Bravo 2014; Christensen et al. 2019). In particular, the political clout of the poor may be blunted if elites respond to democratization by investing in mechanisms of influence, such as lobbying, electoral fraud, and violence.

The ability to study the prevalence and effectiveness of these tactics has been limited, in part, by the difficulty in measuring different sources of political power within and across countries (Scheve & Stasavage 2017). In addition, the timing of democratization is not randomly determined and often initiated by the ruling elite.² If, for instance, the wealthy structure a transition such that the distribution of *de facto* power remains largely unchanged, the extent to which majority preferences regarding redistribution are enacted may be limited (e.g., Albertus & Menaldo 2014). Thus, any empirical study of this question must account

¹While some studies indicate that democratization leads to greater taxation and spending (e.g., Lindert 2004; Aidt & Jensen 2009), others find no significant relationship (e.g., Scheve & Stasavage 2010), and even a negative relationship (e.g., Mares & Queralt 2015). See Acemoglu et al. (2015), Bonica et al. (2013), and Scheve & Stasavage (2017) for recent reviews of this debate.

²For instance, in places where the poor pose a higher redistributive threat, elites are more likely to block democratization (e.g., Acemoglu & Robinson 2006; Boix 2003; Ziblatt 2008).

for the endogeneity of democratization to the strategies of elites and the degree of political capture in the new system.

In this paper, we use the U.S. government’s intervention in the former Confederate states following the American Civil War to examine the importance of de facto power during democratizations on the incidence of taxation. A number of features of this historical case are key for our empirical design. First, the democratic reforms introduced were determined neither by Southern elites nor due to revolutionary pressures from the disenfranchised. Instead, the victorious Union imposed the extension of the franchise, and throughout much of the period known as Congressional Reconstruction (1868-1877) used the U.S. Army to enforce black voting rights. Following the removal of most federal troops by the mid-1870s, due largely to a partisan shift at the national-level, this enforcement ceased.³ Hence, there were two temporally distinct and exogenously-determined shocks to Southern democracy—the granting and enforcement of black suffrage and the subsequent removal of the latter—each of which provides us with leverage over the endogenous nature of democratization and its enforcement.

Second, there was substantial within-state variation in both the magnitude of the franchise expansion and the influence of federal authorities. In some counties, the electorate more than tripled, while in the heavily white districts it was barely affected. Importantly, the fraction of new voters in each locality was exogenous to Reconstruction, as it was primarily determined by the prewar spatial distribution of slavery.⁴

³This only affected the de facto distribution of power as black males formally retained their voting rights. Only beginning in the 1890s did most of these states enact formal voting restrictions, such as literacy tests and poll taxes.

⁴The incidence of slave labor in agriculture was in turn largely determined by the local agro-ecological suitability to grow cash crops, especially cotton (see e.g., [Acharya et al. 2016](#)).

Third, while the goal of the occupation was to protect the rights of the former slaves, enforcement varied substantially within each state. Critically, this depended on the local presence of army units and their capacity to repel the armed militias that emerged to resist Reconstruction (see, e.g., [Downs 2015](#)). Yet, mainly due to fiscal constraints and national-level politics, the occupying force authorized by Congress was never sufficient to provide full protection for the largely rural black population, thinly spread across a vast territory.

Finally, the former slaves were, in general, the poorest members of Southern society. Hence, this group's enfranchisement added voters from the bottom end of the income distribution, particularly in high black-population share counties. This should have increased the demands for redistribution, and accordingly, fiscal revenue and targeted spending. Yet in these counties, Southern elites would also have greater incentive to invest in coercion to offset the political changes brought about by Reconstruction. We argue that federal troops made this capture by violence much more costly. Therefore, we would expect to observe an effect from black enfranchisement that is dependent on both the location of troops and the relative size of black constituencies.

Consistent with these predictions, we find that, during Reconstruction, occupied counties with higher black-population shares saw a significant increase in their state and local tax revenues compared to similar non-occupied counties. Moreover, these counties experienced a comparatively greater decline in tax revenues after the withdrawal of troops and the end of Reconstruction efforts. The estimated elasticity of revenues with respect to county black-population share, our proxy for enfranchisement, is substantial: approximately 0.5 for state taxes and 0.9 for county taxes. Our estimates also suggest that a significant portion of the fiscal decline observed during the 1870-1890 period is explained by the incidence of black

voters in the occupied areas.

Although these findings could be driven by an omitted time-varying factor, correlated with both the occupation and taxation, our estimates are robust to a wide set of specifications and controls. The estimated elasticities are practically unchanged when we allow revenues to differentially depend on the level of income, prewar wealth, land inequality, the magnitude of the economic destruction during the war, the post-war tenancy structure, and other potentially confounding factors. Our estimates are also robust to specifications where we account for spillover effects from local occupation and for the propensity to be occupied across counties. Importantly, we also show that prior to the war, per capita state revenues across occupied and non-occupied counties with similar black population shares did not differ significantly.

We explore a set of mechanisms by which the occupation could have potentially influence local taxation. Using a directory of black officeholders, we evaluate whether the location of troops influenced the ability of Republicans to control local fiscal politics. As historians have widely reported, groups such as the Ku Klux Klan (KKK) not only targeted black voters but also expended great effort intimidating and assassinating black candidates and officeholders (Chalmers 1987). Hence, we expect the presence of federal troops to offset this strategy and bolster local Republican control. Consistent with this, we find that occupied counties with higher black-population shares were comparatively more likely to elect black officials responsible for setting local rates, assessing taxable property, and collecting taxes.⁵

⁵Overall, the occupation facilitated black political mobilization and representation. For instance, we show that occupied counties with high black-population shares had comparatively higher turnout, elected more Republican delegates to the Reconstruction conventions of 1867-68 and had more support for Republican candidates in gubernatorial races.

Furthermore, using an original dataset of political violence during the period, we provide suggestive evidence that in occupied counties with higher black-population shares, politically-motivated murders by white militias were less likely.

In addition to contributing to the literature on democratization and taxation, our findings complement recent research on the importance of nondemocratic legacies in new democracies (e.g., [Albertus & Menaldo 2014](#); [Martinez-Bravo et al. 2017](#)). Similarly, our results provide an important qualification to previous studies on the consequences of large-scale franchise expansions in the US (e.g., [Cascio & Washington 2013](#); [Husted & Kenny 1997](#); [Lott & Kenny 1999](#)). While these studies have documented important effects arising from suffrage extensions, they perhaps failed to consider the role that enforcement played or whether these reforms altered the de facto distribution of political power to the detriment of the newly enfranchised. Our paper is also related to recent work on the legacies of Reconstruction ([Rogowski 2018](#); [Stewart & Kitchens 2018](#)) and on the importance of black politicians during this period ([Logan 2018](#)). To our knowledge, however, no previous study has empirically explored the joint impact of federal enforcement and black enfranchisement nor the determinants of political violence during Reconstruction. Lastly, our findings could offer relevant evidence to the literature on counterinsurgencies and state building in post-conflict settings (e.g., [Berman et al. 2011](#)). In particular, our findings indicate that military power can be effective even in a context of extreme hostility. As our case suggests, military force is not a sufficient condition for the success of rebuilding post-conflict societies yet it may be necessary.

2 Historical Background

2.1 Black Suffrage

When eleven Southern states seceded following Abraham Lincoln's victory in 1860, roughly 43% of the South's population was enslaved. With victory in the Civil War and the passage of the Thirteenth Amendment abolishing slavery, the Republican Party was divided between moderates who preferred lenient terms for the readmission of rebel states and "radicals" who wanted a complete political transformation of the South (Foner 2011).

To counteract emancipation, Southern states enacted a series of laws, collectively known as the "Black Codes," which severely restricted the civil and economic rights of the former slaves. On the ground, white southerners formed militias to intimidate and attack African Americans, white Republicans, and local officials (Chalmers 1987). Despite the strong opposition from Northern Democrats, Congressional Republicans responded using their majorities to pass key pieces of legislation establishing and protecting black rights, including the Civil Rights Act of 1866 and the Fourteenth Amendment (proposed in 1866 and ratified in 1868). The violent resistance helped cement a near consensus among Republicans that the ongoing military occupation was necessary to protect and enforce these newly-granted rights (e.g., Downs 2015; Sefton 1980).⁶ A majority of Republicans also came to agree that black suffrage was crucial to the effort and to build the party in the South (Foner 2011). As a result, Congress passed the various Reconstruction Acts of 1867-68, which placed ten of the eleven

⁶Future President James A. Garfield said that the Republican plan should "[p]lace civil Governments before these people of the rebel States, and a cordon of bayonets behind them" (as cited by Downs 2015, 167).

ex-Confederate states under martial law and endowed Union commanders with sweeping powers. In addition to requiring states to ratify the Fourteenth Amendment, these acts mandated universal adult male suffrage and called on the military to register eligible black voters and conduct elections of delegates to new state constitutional conventions.

These reforms, backed by the coercive capacity of federal troops, upended Southern politics. In the elections following the mandated state conventions of 1867-68, the Republican Party—which was largely nonexistent in the pre-war South and whose voters were primarily African American—won nine gubernatorial seats and majorities in eighteen (of 20) chambers of these states’ legislatures (Dubin 2007; Dubin 2010). By the late 1860s, black males comprised the majority of the registered voters in five states and more than 40% in four more (Walton et al. 2012, 247). Moreover, thousands of black officials were elected to local, state, and federal office throughout the South (see e.g., Foner 1993).

Yet there were still formidable obstacles to the implementation of Reconstruction. In particular, the reach of federal enforcement was constrained by the inability of Congressional Republicans to deploy enough Army units throughout the vast South to quell the insurgencies.⁷ In places where troops were stationed, violence was restrained and white Southerners reluctantly accepted the new political system (Downs 2015). However, in areas beyond the Army’s control white-supremacist groups used violence against black voters and politicians regularly.⁸ As explained by Gen. George H. Thomas, commander of the Department of the Cumberland, in a report to the Commander of the Army, Ulysses S. Grant, “The number

⁷There was enormous fiscal pressure to reduce deployments since the occupation exerted a strain on the federal government’s ability to finance the ballooning national debt (Downs 2015, 94).

⁸The organizational structure of these groups was based on local autonomy and there was little regional- or state-level coordination (Chalmers 2007, 15).

of troops in the Department has at no time been so great as was required to preserve the peace.” This lead, Thomas continued, to the “murder, riot and maltreat of colored people in the localities where there are no United States troops stationed. The local authorities often have not the will, and, moreover, often have not the power to suppress or prevent these outrages” (1868 Annual Report of the Secretary of War). The limitations of the occupation were similarly emphasized by Gen. Wager Swayne, military governor of Alabama, who testified before Congress that the “shooting, abuse, and violent assaults (against African Americans)...increase just in proportion to their distance from United States authorities” (Report of the Joint Select Committee on the Condition of Affairs in the Late Insurrectionary States—hereafter RJSC, 41st Congress, 1872, 268).

Although Congress passed the Enforcement Acts of 1870 and 1871, aimed at enhancing the ability of the federal government to prosecute militias, the efforts to protect black political rights waned quickly after 1874. Due in part to the economic depression that followed the Panic of 1873, the Democratic party won a resounding majority in the 1874 House of Representatives elections. Being radically opposed to Reconstruction, they blocked further appropriations for this purpose. What remained of the effort to enforce black political rights by “bayonet rule” largely ended with the so-called “Compromise of 1877”, which allowed the Republican candidate, Rutherford Hayes, to become president and lead to the end of the federal intervention in the South.⁹

These federal-level factors caused the occupation force to steadily decline over the period. In the fall of 1865, the Army had more than 400 posts (with a yearly average of 677 soldiers

⁹While there is no consensus regarding the complete terms of the compromise, it is widely agreed that Hayes’ election marks the end of Reconstruction.

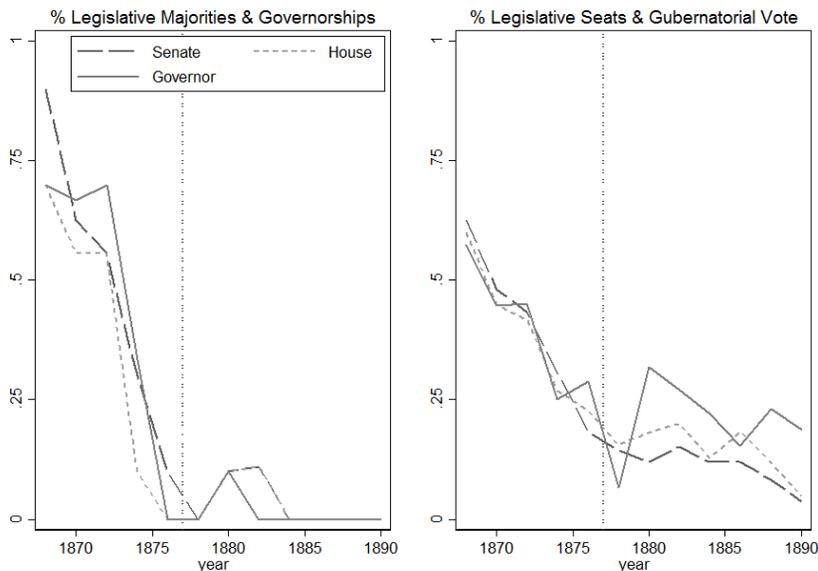
per location), occupying approximately 43% of the counties in the former Confederacy. In the fall of 1870, the number of posts and companies had declined to approximately 180.¹⁰ By 1877, Army forces occupied only 50 counties with a yearly average of 147 soldiers in each. We illustrate this decline in Figure OA1, Online Appendix.

With the decline of federal enforcement, the ability of white Southerners to influence local politics using coercive tactics increased significantly. For instance, historians have documented a dramatic spike in political violence across various local, state, and federal elections in the South during 1875 and 1876.¹¹ This violence weakened the ability of Republicans to compete electorally, and Democrats rapidly won back control of state legislatures and governorships. Figure 1 plots the sharp decline in electoral competition during the period. The left panel shows the share of governorships and both house chambers of the state legislatures held by parties other than the Democratic Party. The right panel shows a similar measure based on the average share of seats and vote shares. As shown, while opposition parties obtained more than a third of the legislative seats and half of the governorships during Reconstruction, by 1880 nearly every governorship and state legislature was held by Southern Democrats. Table OA1, Online Appendix, provides a timeline of the main political events and the reforms introduced during the period.

¹⁰In terms of manpower, Downs (2015, 258) and Sefton (1967, 261) estimate that in the early fall of 1865 the total number of U.S. soldiers stationed in the former Confederacy was less than 200,000. By October 1870, less than 10,000 soldiers remained in these states (Sefton 1967, 262).

¹¹In South Carolina alone, it is estimated that more than 150 African Americans were killed in the weeks prior to the 1876 state elections (Foner 2011).

Figure 1
Party Competition in the Reconstruction States, 1868-1890



Notes: Left figure plots the share of state legislative chambers and governorships in the Reconstruction states in which majority of members (or the governor) were not from the Democratic Party. The right figure presents similar measures based on the number of seats in each chamber and the vote share of gubernatorial races. Vertical dotted line at 1877, the end of Reconstruction. Sources: Dubin (2007, 2010).

2.2 Taxation in the South

Despite the enormous costs of the war and, in particular, the uncompensated abolition of slavery, the distribution of Southern (non-slave) wealth remained relatively unchanged during and after Reconstruction (e.g., Ransom & Sutch 2001, 81-87; Dupont & Rosenbloom 2018). This is because in the overwhelmingly-rural South, the former slaveholding elite retained their land. While Republicans were committed to remaking the South's political institutions, they decided against confiscatory mechanisms that would have altered the region's unequal

distribution of land ownership.¹² Since state and local revenues were principally derived from ad valorem taxes on property (see e.g., [Seligman 1969](#), [Wallis 2000](#)), any rise in taxes would largely fall on whites, especially large landowners.¹³

In the years of the occupation, tax rates and revenues increased significantly. In Mississippi, for instance, the state rate in 1860 was less than 1 mill on each dollar of the assessed value of land (i.e., \$1 for every \$1000 of assessed land). By 1870, this had increased to 5 mills and by 1874 to 14 mills. County and municipal-level taxes, which had previously been less important, were set at rates exceeding those by the state at the peak of Reconstruction. According to [Hollander \(1899, 193\)](#), “the average rates of state and county taxation during the six years (1870-1875) were 8.9 and 12.5 mills, respectively, making a combined average of \$21.37 on \$1000 of assessed property,” a rate the author described as “confiscatory.”

The effect of the increase in rates on revenue was substantial. For example, the assessed valuation of all property in Alabama in 1870 was only 29% of what it was in 1860 (due primarily to the uncompensated abolition of slavery). Yet, state and local tax revenues increased from roughly \$850,000 in 1860 to more than \$3 million one decade later ([Fleming 1905, 574](#)). In real terms, this represented an increase of more than 140%. Overall, while the (inflation adjusted) value of all non-slave-based property declined by almost 50% between 1860 and 1870, total state and local taxes increased by more than 40%. Put differently, in 1860, total state and local taxes comprised slightly more than 0.5% of assessed wealth. By

¹²By 1880, the share of farms in the Lower South owned by African Americans was only 7.3%. In terms of total acreage, this share was considerably lower ([Ransom & Sutch 2001, 84-85](#)).

¹³According to 1870 Census, state taxes represented on average approximately 60% of all revenues collected in the ten Reconstruction states. While these included license fees and poll taxes, roughly two-thirds or more were from general property taxes ([Hollander 1899](#)). Similarly, county and municipal taxes came almost entirely from *ad valorem* taxes on property (unlike federal revenues which came almost exclusively from excise taxes and tariffs).

1870, these comprised approximately 1.7% of assessed wealth.¹⁴

These increases in taxation did not occur gradually and were not a one-time increase required to repair destroyed public infrastructure.¹⁵ Instead, these resources were used to provide public services for the first time which fundamentally altered the role of state and local governments. As explained by Foner (2011, 364), “Serving an expanded citizenry and embracing a new definition of public responsibility, Republican government affected virtually every facet of Southern life. . . Public schools, hospitals, penitentiaries, and asylums for orphans and the insane were established for the first time or received increased funding.” Most of the increase in revenues was used in public education. In Mississippi, for instance, more than a third of state tax revenues was used for public schools and a “greater part of county taxes was for building school houses and for schools” (RSCJ, 1872, 181). Although a statewide system of public education was nonexistent in the Antebellum era, by 1872 every state had established a state-financed school system based on property taxes (Ransom and Sutch 2001: 26).

The end of Reconstruction led to dramatic declines in tax rates. In Mississippi, the violent capture of the state legislature by Democrats in the elections of 1875 (and subsequent forced resignation of the Republican governor) was followed by an immediate reduction in the state property tax rate to 2.5 mills in 1876 (Hollander 1899). In addition to reducing their statutory rates, numerous states created new constraints on the ability of legislatures and municipalities to increase taxes. While tax-limiting constitutions were adopted in Al-

¹⁴We compiled and calculated these figures from the fiscal information provided in the aforementioned RSCJ (1872).

¹⁵For example, Fleming (1905, 571) claimed that, “During the three and half years after the war, under the provisional government (1865-1868), most of the burned bridges, court-houses, and other public buildings had been replaced.”

abama (1875), Arkansas (1874), Georgia (1877), and Texas (1875), our data from 1880 and 1890 shows that the decline in taxation was similar in magnitude across states. Subsequently, spending on black schools fell substantially, particularly in counties with high black-population shares (see, e.g., [Naidu 2012](#)).

2.3 The Location of Troops

At the end of the war, Union troops were heavily concentrated in towns and cities ([Downs 2015](#)). This meant that in addition to the inherently lower cost of quartering and provisioning forces in towns, deployments across these initial “war” locations did not require the construction of new installations which was seen as beneficial.¹⁶ Commanders also saw concentrating their forces as important for maintaining their effectiveness. According to Sefton (1980, 208), “One crucial reason for not scattering troops about in small semipermanent detachments throughout the South was the deterioration of morale and discipline (especially desertions) resulting from the fragmentation of commands.”

The protection of former slaves amidst widespread insurrection, however, required a force that could respond beyond urban posts. Given that the black population of the South was predominantly rural, the dispersion of troops was necessary. As reported by a commander in Georgia, “unless small garrisons are kept at many points, most unfortunate results will certainly follow” (RJSC 1872, 269). Major incidents of violence also forced commanders

¹⁶This was expressed by General H. Halleck, Commander of the Division of the South, in a 1870 report to Congress: “greater economy can be introduced by prohibiting the construction of expensive buildings at posts which will be required only for a few years, and by preventing the accumulation of supplies at places where, on the removal of the garrisons, wholly or in part, they must be sold at a sacrifice, or transported elsewhere at great expense” (1870 Annual Report of the Secretary of War to Congress).

to disperse their troops. For example, after nearly a dozen African Americans attending a Republican rally in southwest Georgia were killed on September 19, 1868, General George Meade, governor of the Third Military District, modified “his troop deployments. Instead of concentrating his forces in the larger towns and cities, he stationed numerous small detachments throughout his department to deter lawlessness and violence” (Bradley 2015, 53). However, with a diminishing occupation force, commanders eventually had to consolidate their troops. Commanding General of the Army William T. Sherman reported in 1870 that due to reductions in troops and the high fixed costs of maintaining garrisons, “department commanders will be forced to break up many of the smaller posts” (1870 Annual Report of the Secretary of War to Congress).

The necessity of dispersing troops was also influenced by the choice to rely almost exclusively on infantry. Due to the high cost of maintaining cavalry regiments, these were quickly demobilized after 1865 and only a limited number of cavalry units remained and deployed mainly in the Southwestern and Western frontiers (Bradley 2015). The reliance on infantry significantly limited the effective range of troops.¹⁷ An officer stationed in South Carolina reported that his troops “show a very credible efficiency but they frequently have to march long distances to quell disturbances...A small force of cavalry would be of infinite service” (as cited by Bradley 2015, 15).

In sum, the location of federal troops in the Reconstruction South was partly explained by the pre-existing locations following the war, by limitations in military capabilities and by the violence on the ground. The reports from the field also suggest that the deployments

¹⁷Downs and Nesbit (2015) estimate that infantry troops could march up to eighteen miles per day while the cavalry would ride for thirty (at an average speed of 5 mph).

reflected a tactical balance between the efficiency of concentrating troops in urban centers versus the need to disperse them in order to extend control over rural areas with larger African-American populations.

3 Theoretical Motivation

In this section, we motivate our empirical investigation with a simple model of redistributive politics, which builds on Acemoglu and Robinson (2008) and Acemoglu et al. (2015). To adapt this framework to our case, suppose a county with an endowment of wealth normalized to one. There are two types of agents, white voters having a portion θ of this wealth and black voters who possess the remaining $1 - \theta$. For simplicity, the voting population is also normalized to one; a proportion δ of which are white; and, the fraction of black voters in the locality therefore equals $1 - \delta$. The per capita endowments of these groups can be expressed as

$$y^w = \frac{\theta}{\delta} \text{ and } y^b = \frac{1 - \theta}{1 - \delta}.$$

In our context, $y^w > y^b$ which requires that $\theta > \delta$.

Suppose that the only policy instrument available is a linear tax on wealth $\tau \in [0, \bar{\tau}]$ with the proceeds returned to individuals as a lump sum transfer (the bound $\bar{\tau}$ captures in a reduced-form way the distortionary costs of taxation). Given that both total wealth and population are normalized to one, the (per capita) transfer is equal to τ . Thus, for any tax rate τ , the post-tax wealth of a white voter is given by

$$\hat{y}^w = (1 - \tau)y^w + \tau = \frac{(1 - \tau)\theta + \tau\delta}{\delta},$$

and for a black voter by

$$\hat{y}^b = (1 - \tau)y^b + \tau = \frac{(1 - \tau)(1 - \theta) + \tau(1 - \delta)}{1 - \delta}.$$

Given that $\theta > \delta$, the preferred tax rate of white voters, who are initially enfranchised, is $\tau = 0$ (\hat{y}^w is decreasing in τ). In contrast, the indirect utility of black voters is increasing in τ ; so their preferred rate is $\tau = \bar{\tau}$. Intuitively, since black voters are net beneficiaries of taxation they would like to impose the highest tax rate possible on the wealth of white voters. Hence, when $\delta < 1/2$, the extension of the franchise to black voters will lead to an increase in taxation. Moreover, the burden of democracy, defined as the net transfer away from whites, is going to be proportional to share of black voters in the population. In the extreme case where all wealth is concentrated in the hands of white voters (i.e., $\theta = 1$), this tax burden will be equal to $B = \tau/\delta - \tau$, which is decreasing in δ . More generally, $B = \tau\theta/\delta - \tau$. Thus, fiscal transfers will be greater in counties with more inequality and higher black-population shares.

An extension of the franchise may not lead to an increase in taxation (e.g., Acemoglu and Robinson 2008). In particular, rich voters can take costly actions to influence politics and specifically block redistributive policies. In the Southern context, white elites responded to black enfranchisement with force and repression through non-state actors. Federal troops played a key role in this decision as they increased the cost to whites of using repression. To incorporate these ideas, suppose that white voters can choose to repress black voters at

a cost r . Specifically, this cost is given by

$$r(\phi) = \kappa + \eta I(\phi = 1),$$

where $\kappa > 0$ is an “average” repression cost—specific to the county, $I(\phi = 1)$ is an indicator function for occupation, and $\eta > 0$. If there is repression, white voters maintain power and can set their preferred tax rate.¹⁸

When the cost of repression is not too large, white voters could find it beneficial to repress to avoid redistribution. Yet, the presence of federal troops raises the cost of repression; as a result, this strategy is less likely in occupied counties. In other words, if κ is higher than some critical value $\tilde{\kappa}$, white elites will not repress in occupied counties and the extension of the franchise will lead to more taxation. If κ is less than $\tilde{\kappa}$, even if a county is occupied, black voters will be repressed and democratization is less likely to produce an increase in taxation.¹⁹ Formally, whites will use repression when $B \geq r$. In an occupied county, this is the case when

$$\kappa \leq \tau\theta/\delta - \tau - \eta \equiv \tilde{\kappa}.$$

Thus, repression is less likely in occupied counties compared to similar non-occupied counties (which have a repression threshold equal to $\tau\theta/\delta - \tau > \tilde{\kappa}$).

In sum, this setup highlights two mechanisms. First, the burden of taxation of democratization will depend on the change in the electorate. When the franchise is extended to

¹⁸The same argument holds if we take κ to be a random variable with a continuous distribution and a strictly decreasing density.

¹⁹These comparative statics are equivalent to the “captured democracy” equilibrium described by [Acemoglu et al. \(2015, 1895-97\)](#).

comparatively larger and poorer groups, the tax burden on the rich will be higher (i.e., $\partial B/\partial\theta > 0$ and $\partial B/\partial\delta < 0$). In the Southern case, black voters had essentially no wealth. Hence, the reliance on ad valorem property taxes meant that the entire burden of taxation fell on white voters. Second, if the elite has the option to block majoritarian policy preferences by force, this will crucially depend on the cost of repression. Specifically, when the tax burden is higher than the cost of repression, elites have an incentive to use violence. The enforcement of federal troops influences this decision as it significantly increases the cost of repression. Thus, holding all else constant, the local occupation makes repression and elite capture less likely (although this depends on the effectiveness of the troops i.e., $\eta > 0$).

4 Data

Our analysis requires time-varying fiscal outcomes and local-level measures of Army presence during Reconstruction. We rely on different sources to construct a comprehensive panel on taxation, use the demographic information of the Census to approximate the effect of Reconstruction on local enfranchisement, and employ a newly available dataset on the location and number of Army outposts (companies and detachments) during the period in the ten Reconstruction states. In this section we describe these measures in detail.

4.1 Data on the Occupation

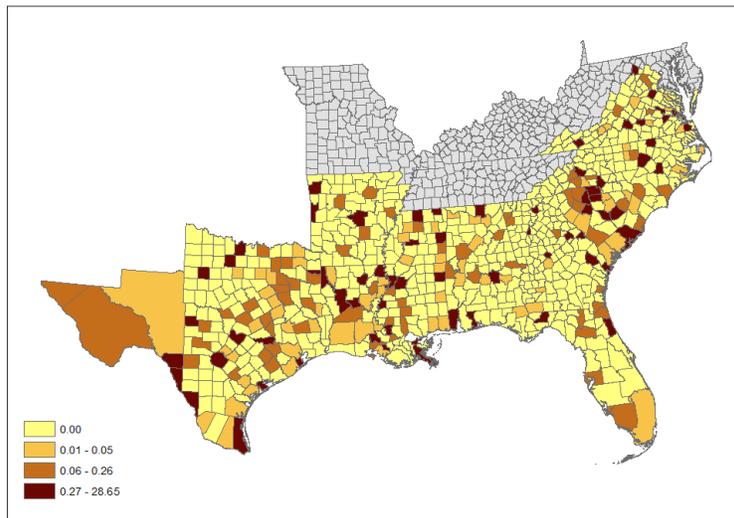
Our county-level measure of federal enforcement is based on the location of Army posts in the ten Reconstruction states between 1868 and 1877.²⁰ The number, type, and exact

²⁰The states placed under military rule by the First Reconstruction Act (1867) are: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas, and

location of posts comes from Downs and Nesbit (2015). This dataset is based on thousands of contemporary reports, letters, journals, and secondary sources. We use the coordinates of each post and combine it with GIS data from the Atlas of Historical County Boundaries (Newberry Library, Chicago), to create an indicator for whether an Army unit (companies and detachments) was stationed in a county at any point during the period.

In Figure 2 we illustrate the geographic distribution of federal troops by mapping the mean number of military units (per 1,000 square miles) registered during the Reconstruction years. In our Data Appendix we present the set of counties occupied in each state (Table A1).

Figure 2
Federal Occupation, Reconstruction States 1868-1877



Notes: Shades correspond to quartiles in the distribution of yearly mean Army posts (companies and detachments) per 1,000 sq. miles. Authors' calculations based on Downs and Nesbit (2015) and the Atlas of Historical County Boundaries.

Virginia.

4.2 Fiscal Revenues

As our primary measure of tax incidence, we construct a 10-year panel of state and local tax revenues collected in each county from circa 1860 to 1890. Given the overwhelming reliance during this period on ad valorem property taxes, revenues were a function of both the statutory rates and the assessed values of taxable property (e.g., land, buildings). That is, any increases in tax revenues not due to rises in market property values could be due to either raising rates or assessing property values closer to their true market value. While each level of government levied their own rates, the assessed values of property was determined by locally-selected officials which were not subject to state-level control (RJSC 1872, 230). Hence, both mechanisms - local-level changes in tax rates and differences across counties in assessments - are an important source of variation in the tax burden across counties.

Ideally, we would use county-level measures of the true market value of property, the assessed values, and the statutory tax rates applied by each administrative level. Unfortunately, this information is not available.²¹ As a result, we focus on directly measuring the per capita real tax revenues by each administrative level. In the post-Civil War period, the Census Bureau began to systematically collect fiscal data on the country's thousands of administrative units. Specifically, both the 1870 and 1880 Census reported the amount of state, county and municipal tax revenues collected in each county. In the following decades, the Census began publishing significantly more detailed fiscal reports of state and local governments. We use the *Wealth, Debt, and Taxation* report (Census Department, U.S.

²¹In particular, local-level tax rates are unavailable and we cannot reliably measure county-level differences between assessed and commercial (market) property values.

Department of Interior, 1895) to locate state and local tax revenues collected in 1890, the last year of our panel.

For the pre-war period, we collected and digitalized the available state treasurer, comptroller, or auditor reports on state taxes closest to 1860. These reports provided the amount of state tax revenue levied to each county. We use these records in the analysis mainly to check whether occupied and non-occupied counties exhibited similar pre-Reconstruction trends. Unfortunately, the local-level tax collections were not reported and we were unable to locate other sources reporting prewar county-level taxes.

We combine this tax data with census population data and a price index for each decade to create a county-level measure of real per capita tax revenues for each level (i.e. per capita state and county taxes). As a robustness check, we also use tax revenues per white adult resident and adult white male, respectively. The sources and other information for these variables can be found in Appendix Tables A2-A3.

In Panel A of Table 1, we present the descriptive statistics of our fiscal variables disaggregating counties by their occupation status. To account for a potential differential trend in taxation in cities we exclude all urban counties, defined as counties having a majority of their population in urban areas in 1860. Due to the fact that slaves were primarily employed in agriculture, the rural counties included in the sample contained approximately 90% of the black population of these states in 1870.

Panel A presents average state and county tax revenues per capita (all in real 1890 dollars) for the different decades. Occupied counties had a mean per capita state revenue of around \$1 in the prewar period compared to \$0.76 for the non-occupied counties (the

difference is statistically significant).²² These unconditional means also indicate that during the 1870-1890 period, both types of taxes were on average significantly higher in the occupied counties. The last rows approximate the real growth rate in revenues over 30-year and 20-year periods. As shown, there was a substantial fiscal expansion at both levels, particularly in county revenues of occupied counties (relative to non-occupied counties).

4.3 County Characteristics

We use a number of demographic and economic controls that could influence the fiscal capacity of counties. Ideally, we would use controls from years immediately preceding Reconstruction and interact these with time and occupation indicators. Yet there is no systematic socioeconomic data for the intercensal years. Furthermore, measures from the years immediately preceding Reconstruction could be potentially misrepresentative because they would capture the immediate impact of the Civil War. Instead, we use a set of controls from the 1860 Census, the closest available pre-War and pre-Reconstruction comprehensive source.

Panel B, Table 1, reports the summary statistics of our main 1860 controls, all calculated from the Census. Our main explanatory variable, the share of the county's population who were African American, is calculated by adding the number of slaves and free African Americans in 1860. Occupied counties had a higher average black-population share compared to non-occupied counties (43% versus 36%, the difference is statistically significant). Occupied counties also tended to be bigger, more densely populated, and wealthier in terms of both

²²The combined mean is \$0.82 dollars per capita. For comparison, Wallis (2000, 65) estimates that the national mean of state revenues in 1860 was \$1.72 (current dollars). This is consistent with historical evidence suggesting that the prewar public sector of these states was considerably smaller than in the Northern states.

Table 1
Descriptive Statistics

	Occupied		Non Occupied	
	Mean	Std. Dev.	Mean	Std. Dev.
<i>Panel A. Taxation (real 1890 dollars)</i>				
Per capita State Revenue ₁₈₆₀	1.005	0.766	0.755	0.913
Per capita State Revenue _{1870–90}	1.070	0.968	0.770	0.480
Per capita County Revenue _{1870–90}	1.329	1.873	0.904	0.859
$\Delta \ln$ (Per capita State Rev.) _{1890–60}	0.218	0.859	0.213	0.898
$\Delta \ln$ (Per capita County Rev.) _{1890–70}	1.000	1.124	0.565	0.988
<i>Panel B. Pre-Reconstruction Characteristics</i>				
<i>Demographics (1860)</i>				
Black-Population Share	0.428	0.231	0.359	0.214
Total Population	12,401.8	9,422.2	9,107.0	5,948.1
Population Density	18.732	20.627	17.265	11.812
<i>Wealth</i>				
Per capita Farm Values	212.1	142.9	181.4	123.1
Per capita Wealth (p. property + real estate)	811.0	338.1	610.0	264.2
Land inequality (Land Gini)	0.481	0.108	0.489	0.078
<i>Panel C. Other County Characteristics</i>				
<i>Income (1870)</i>				
Per Capita Agricultural Output	44.457	24.950	46.242	22.354
Per Capita Value Manufacturing	16.024	22.272	10.824	12.891
Relative Representation Index ₁₈₇₀	1.010	0.255	1.164	0.546
\ln Distance to state capital	11.86	0.954	11.88	0.628
Mean elevation	4.540	1.143	4.736	1.138
$\Delta \ln$ (Total Population) _{1890–70}	0.564	0.529	0.536	0.489
Counties	180		507	

Note: The sample includes all rural counties that existed prior to 1860 in the ten Reconstruction states (AL, AR, FL, GA, LA, MS, NC, SC, TX and VA). Occupied counties denote those in which a U.S. military garrison was stationed between 1868 and 1877, as reported by Downs and Nesbit (2015). See main text and Data Appendix for definitions and sources.

farm values and real estate wealth. In addition to the level of wealth, inequality is also a potential factor conditioning local taxation (see e.g., [Acemoglu et al. 2015](#)). We control for this by calculating a Gini coefficient of land ownership based on the farm acreage categories of the Census. The last row of Panel B shows how occupied and comparison counties had almost identical levels of land inequality (Gini of 0.48 and 0.49 respectively).

The 1860 census information on economic activity is incomplete; we therefore use the data on agricultural output and manufacturing of the 1870 Census as additional controls. We find that occupied counties were slightly less agricultural and had more manufacturing (Panel C). Finally, we explore a set of predetermined characteristics (e.g., terrain ruggedness and distance to the state capital), all calculated taking the pre-war county borders, the relative representation of counties in state legislatures, and the population change over the sample period. The summary statistics indicate no significant difference in any of these characteristics across the two samples.

The fact that occupied counties differed significantly from the counties in the comparison group, particularly in their levels of wealth, suggests that their fiscal trends could be influenced by differences in their economic structure. These difference could also influence the political conflict during the occupation. To address this concern, we flexibly control for total income and farm wealth, allowing for differential trends across these and other observable dimensions. In addition, we check the robustness of our results using restricted samples taking only counties having common support in both their propensity to be occupied and their black-population shares.

5 Empirical Evidence

Our empirical approach focuses on changes in taxation as a function of both black enfranchisement and military occupation. In counties with a higher preexisting black population share, the marginal increase of the franchise was greater, and hence we should have an (unconditional) larger impact on taxes. Yet it is precisely these counties in which the landed

elite had greater incentive to invest in coercion and repression. The presence of federal troops was crucial in preventing this violence. Hence, we expect black enfranchisement to have a fiscal effect that is not only proportional to the size of black constituencies but also dependent on the location of federal troops.

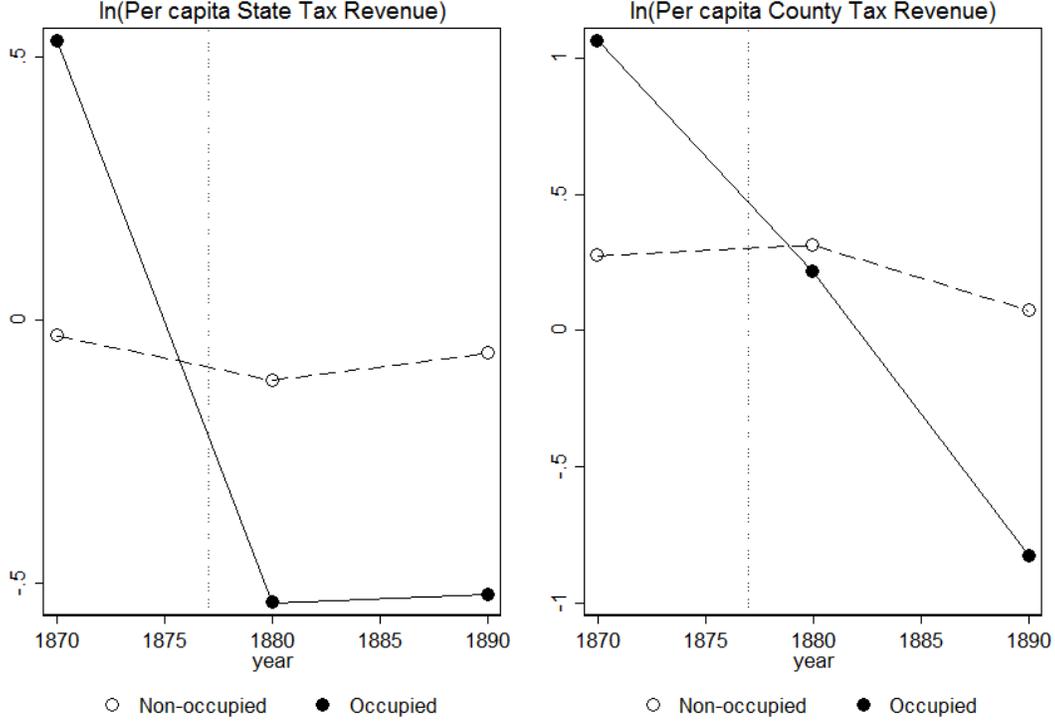
We preview the main results in Figure 3 which plots a series of simple cross-sectional models by decade and occupation status. In these models, we regress state and county revenues against 1860 black population share for occupied and non-occupied counties separately. The vertical line at 1877 marks the end of Reconstruction. All models control for 1860 total population and farm wealth.

As shown, the size of black constituencies is positively associated with state revenues only in the occupied counties during Reconstruction. For instance, the solid circle at 0.53 for 1870 in the state revenue model (left panel), indicates that a 1% increase in county black share is associated with an increase in per capita state revenues of more than 0.5%. This slope declines to -0.53 in 1880, the first post-Reconstruction year in the sample and remains almost constant throughout the following decade. In contrast, the estimated slope for the non-occupied counties is less steep and always negative throughout the same period. The estimate black share slope for county revenues in 1870 is more than 1 for the occupied counties while is only 0.27 for the non-occupied counties (right panel). In the former, the slope declines monotonically to -0.82 by 1890. These elasticities in the non-occupied counties are always positive, increasing in the first post-Reconstruction period and declining slightly in 1890. Hence, for both state and county models, there is initially a positive gap which closes and reverses in the post-Reconstruction decades.

We start investigating the statistical significance of these trends using a panel model of

Figure 3

Gradients of Tax Revenues in Black Population Share, 1870-90



Note: Each panel show the OLS coefficients on 1860 county black-population share by decade and occupation status. Solid circles represent the occupied counties samples and open circles the non-occupied ones. All models control for 1860 (ln) total county population and (ln) farm wealth. Vertical dotted line at 1877, the end of Reconstruction. Samples include all rural counties in the ten Reconstruction states.

the form

$$\begin{aligned}
 \ln(y_{ist}) = & \sum_{j \neq 1860} \delta_j [b_i \times d_j(t)] + \sum_{j \neq 1860} \eta_j [\phi_i \times d_j(t)] \\
 & + \sum_{j \neq 1860} \gamma_j [b_i \times \phi_i \times d_j(t)] + c_i + \lambda_s(t) + \mathbf{X}'_{ist} \beta + \varepsilon_{ist}, \tag{1}
 \end{aligned}$$

where y_{ist} is the real per capita revenue of county i in state s at time t . b_i represents our proxy

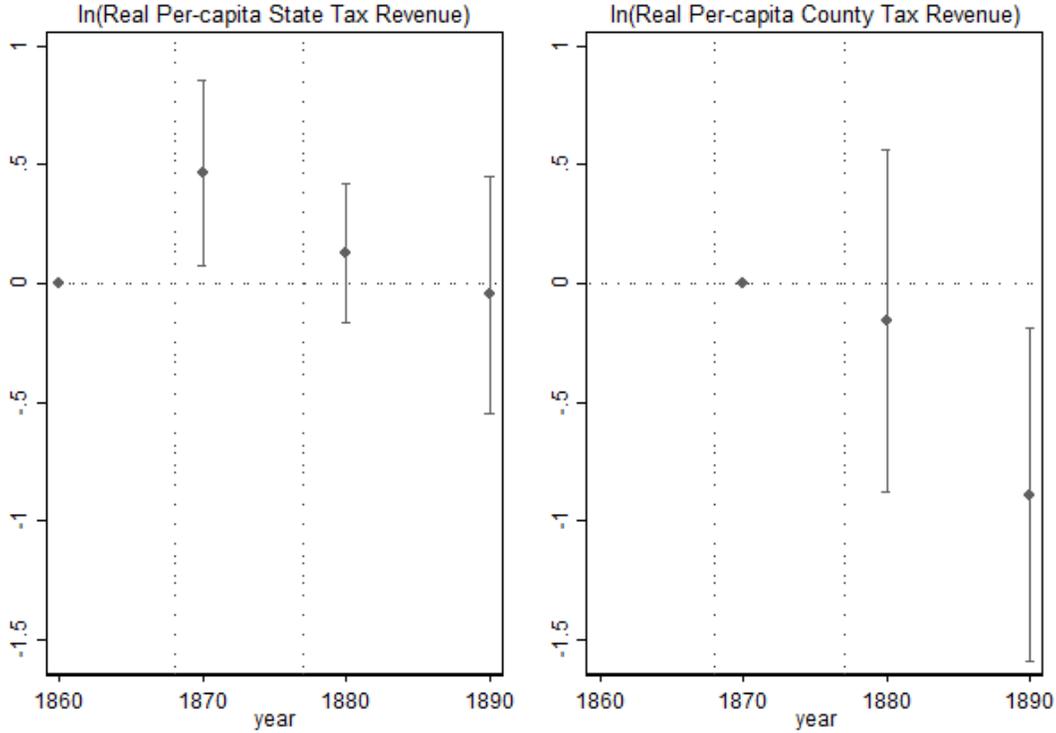
measure for the franchise expansion, namely the share of the county’s population who were black in 1860. ϕ_i is a dummy indicator for whether the county was occupied by the Army during Reconstruction, and $d_j(t)$ is a time indicator equal to 1 when $t = j$, and zero otherwise (for $j \in \{1860, 1870, 1880, 1890\}$). c_i is a county fixed effect and $\lambda_s(t)$ is a state-specific year indicator which accounts for non-linear time trends across states. The vector of controls $\mathbf{X}_{i,s}$ includes the level of farm wealth, per capita agricultural and manufacturing output, all interacted with the time indicators and with both time and the occupation indicator.

In the estimations for state taxes we normalize the interactions for 1860 to zero, the only pre-Reconstruction year for which we have fiscal data, to identify the model. The coefficients of interest are then $\{\gamma_j\}_{j \neq 1860}$, which are indicative of the difference in the black-share slopes between occupied and non-occupied counties, compared to the difference observed in 1860. Our hypothesis that the occupation caused higher levels of taxation by facilitating the participation and representation of black voters implies that $\gamma_{1870} > 0$.

Figure 4 plots the estimates for $\{\gamma_j\}_{j=1860/90}$ for both state and county tax models. All standard errors reported are robust to arbitrary heteroskedasticity and serial correlation at the county level. The first result of this specification is the positive difference in the black-share slope coefficients between occupied and non-occupied counties in 1870, compared to the level observed in 1860. Namely, the point estimate in the left panel of approximately 0.46 of the triple interaction for 1870 is highly statistically significant and qualitatively large. This difference in the black-share gradients declines monotonically in the post-Reconstruction years ($\hat{\gamma}_{1880} = 0.13$ and $\hat{\gamma}_{1890} = -0.05$), and estimates are not significantly different from the 1860 level.²³ The complete regression output is reported in Appendix Table A4.

²³The p -value of a Wald test for the joint significance of these post-1870 terms is 0.299.

Figure 4
 Event-Study Estimates (triple interaction term)



Notes: Each figure plots the coefficient on the triple interaction between 1860 black-population share, an occupation indicator and decade indicators. All models include county fixed effects and state-decade fixed effects. Both models control for 1860 (ln) total population and (ln) real farm wealth p.c., and 1870 (ln) real agricultural and manufacturing output p.c., each interacted with decade indicators and with both decade and the occupation indicator. 95% confidence intervals are robust to arbitrary heteroskedasticity and serial correlation at the county level. Vertical dotted lines at 1868 and 1877, the period of Reconstruction.

In the right panel of Figure 4, we present the same estimates using county tax revenues (which are available starting in 1870). In these models, we omit interactions with the 1870 indicator for identification. The estimates are negative and consistent with the estimated declining difference in the black population share gradients for the state revenue models. Interestingly, these models also suggest that county taxes are stickier in the sense that only

in 1890 is the difference in the black share gradients between occupied and non-occupied counties significantly smaller than the one observed during occupation ($\widehat{\gamma}_{1890} = -0.88$, *s.e.* = 0.35). We obtain very similar results when adding all the non-federal revenue of each county (columns 5-6, Table A4). Even though we cannot test for pre-trends and the local-level tax data is measured with more error (see e.g., U.S. Census, *Wealth, Debt and Taxation*, 1895), these estimates are consistent with our mechanism and mitigates concerns about a potential substitution effect in taxation between different levels of government.

In sum, these results suggest that black enfranchisement had a sizable effect on state and county taxation in the occupied counties compared to non-occupied ones, albeit this effect was reversed once the federal intervention ended in the mid 1870s.

5.1 Long-difference Models

To summarize the magnitude of these effects we now move to a long-difference estimation setting. This is useful because it allow us to separately explore pre and post-Reconstruction trends while keeping a close resemblance to model (1). Specifically, we estimate a series of models of the form

$$\Delta \ln(y_{is}) = \delta b_i + \eta \phi_i + \gamma [b_i \times \phi_i] + \lambda_s + \mathbf{X}'_{is} \beta + \epsilon_{is}, \quad (2)$$

where $\Delta \ln(y_{is})$ approximates the growth rate in real per capita revenues over a period of ten or twenty years. λ_s is a state fixed effect and \mathbf{X}_{is} contains the control variables mentioned above, included both directly and interacted with our occupation indicator. The sum of δ and γ captures the change in the black-share gradient for occupied counties and δ the same change

for the non-occupied counties. The coefficient of interest is again γ , the difference between the two groups, which we expect to be positive for the period going into Reconstruction (1860-1870) and negative for the period of federal withdraw (1870-1890).

Table 2 presents the long-difference estimates taking transitional periods separately. For the initial decade, which included the Civil War and the beginning of Reconstruction, we find a positive and highly significant interaction effect between the 1860 black share and the occupation which is in line with the previous event-study models (columns 1-2). The estimates imply an elasticity of revenue with respect to county black share in the occupied counties of approximately one half.²⁴ The quantitative effect is large; the significant estimate of 0.46 (*s.e.* = 0.19) in column 1 implies a relative growth in per capita revenues associated with black enfranchisement of approximately 19% over the decade for the average occupied county. This effect is robust and even increases when we include the additional 1870 income controls (column 2).²⁵

In Columns 3-8 we report the estimates for the 1870-1890 period marking the decline of Reconstruction, the withdrawal of troops, and the resurgence of the Democratic Party. The estimates for γ are now *negative*, indicating that in previously occupied high-black-share counties per capita tax revenues grew at a slower rate compared to similar non-occupied counties.²⁶ The estimates for the state-level revenue models (columns 3-4) are nearly identical

²⁴For comparison, Cascio and Washington (2013) find an elasticity of state transfers with respect to enfranchisement of approximately 1 during the 1960-80 period.

²⁵We obtain similar estimates if we drop counties which were occupied after 1870 (which represent only 11% of all the occupied counties). To make the comparison with the event-study models more easily interpretable we use the 1868-1877 occupation indicator in these long-difference estimations.

²⁶These estimates also imply that the secular increase in revenue in the occupied counties during the post-Reconstruction period (see Panel A, Table 1) is mostly explained by the fiscal expansion of low black-population share counties.

Table 2
Long-Difference Estimates

	$\Delta \ln$ (P.C. State tax revenues) 1860-1870		$\Delta \ln$ (P.C. state tax revenues) 1870-1890		$\Delta \ln$ (P.C. county tax revenues) 1870-1890		$\Delta \ln$ (P.C. total tax revenues) 1870-1890	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black Share ₁₈₆₀ × Occupied	0.463 (0.190)	0.492 (0.198)	-0.497 (0.253)	-0.504 (0.260)	-0.986 (0.363)	-0.894 (0.360)	-0.663 (0.308)	-0.602 (0.321)
<i>Additional Controls</i>	No	Yes	No	Yes	No	Yes	No	Yes
Observations	664	613	680	625	679	624	683	627
<i>R</i> -squared	0.643	0.652	0.611	0.608	0.600	0.611	0.626	0.626

Robust standard errors reported in parenthesis. All models control for 1860 (ln) total population and (ln) real farm wealth p.c. Additional controls include (ln) real agricultural and (ln) real manufacturing output p.c. from 1870. Each control is entered directly and interacted with the occupation indicator. All models include a full set of state fixed effects.

in magnitude to the positive effect we find in the previous decade. For instance, the estimate of $\hat{\gamma} = -0.504$ (*s.e.* = 0.26) in column 4 implies that state revenues decreased by more than 0.5% for each percentage point increase in county black-population share during the period. This implies that a one-standard-deviation increase in the black-population share of previously occupied areas is associated with a relative decline in per capita state revenues of approximately 12%.

The elasticities of revenue with respect to county black-population share for the county tax models are bigger in magnitude (columns 5-6). For instance, the estimate in column 5 implies that the departure of troops is associated with a decrease in per capita county revenues of approximately 1 percent for each percentage point increase in black-population share. This represents a relative decline in county revenues over the 20 years of more than 40% for the average occupied county. This magnitude decreases once we control for our income variables (column 6) but remains highly significant. Columns 7-8 present the same

models but using all non-federal revenues (state and local), we obtain results which are somewhat less precise but consistent with the state and county tax models.

In sum, our long-difference estimates provide robust evidence on the hypothesized positive association between the extension of the franchise to black voters and taxation. This evidence is also consistent with our argument regarding the crucial role of federal troops in enforcing black political rights. We find that per capita state revenues in the occupied counties with higher black-population shares grew comparatively faster during the occupation. Moreover, tax revenues of all local levels exhibit the exact opposite pattern in the years following the departure of troops and the end of Reconstruction.

5.2 Robustness

In the Online Appendix we present a number of tests investigating the robustness of our results. An important concern is that non-occupied counties are not a valid comparison group as these are systematically different from occupied counties. We address this concern in series of sensitivity analyses (Table OA2). First, we drop non-occupied counties with very low black-population shares and occupied counties with very high black-population shares, thus creating a sample with common support in this variable (columns 1, 4, and 7). To lessen additional differences between occupied and non-occupied counties, we also estimate an occupation likelihood based on pre-determined variables and then restrict the sample by taking observations with common support in this propensity score (columns 2, 5 and 8). Finally, we use this subsample to estimate a model weighting observations from non-occupied counties by their (inverse) propensity score (columns 3, 6 and 9). These models

indicate that our previous estimates are not driven by counties with very low or very high black-population shares or those with a different propensity for occupation.

Second, we account for additional mechanisms which could explain the time-varying association between occupation and taxation (Table OA3). For instance, the size of deployments could have had a direct impact on the local economy, leading to systematic differences in revenues. We test this mechanism by controlling for the yearly average troop size, the yearly mean number of units, and the total number of years each county was occupied. We also control for additional demographic, economic and political factors which are potentially confounding (e.g., population density, proxies for the agricultural destruction due to the war, cotton suitability, land inequality and the representation of counties in each state legislature). In Table OA4, we account for the changes in land tenure associated with emancipation by controlling for the number of acres in sharecropping and the expansion of these in the decade following Reconstruction.²⁷ In all specifications, these controls are included directly and interacted with the occupation indicator to allow for differential effects. Overall, the results are consistent with our previous estimates.

Another concern is that the occupation of a county potentially creates spillover effects into neighboring areas.²⁸ This would suggest a downward bias in our estimates, as some comparison counties could receive a protection similar to that received by neighboring occupied counties. To account for this possibility, we perform a spatial test excluding all non-occupied counties that are contiguous to occupied ones. As expected, the estimated interactions of county black-population share and troops are larger and more precisely estimated when we

²⁷The census information on sharecropping acreage is only available starting in 1880.

²⁸This is particularly a concern for detachments with cavalry units.

exclude these counties (Table OA5). We also weigh observations by total population to give more importance to the changes of larger counties and obtain similar results (Table OA6). In Table AO7 we demonstrate that our results do not depend on the exclusion of urban counties and lastly we account for movements in black population during the period by using tax revenues per white resident and per 1860 adult white male (Tables OA8 and OA9).

6 Mechanisms

We now explore some of the mechanisms through which the enforcement of black enfranchisement may have influenced the taxes levied in each county. We begin by examining the importance of federal troops for local political outcomes. Focusing on local governments, we demonstrate that occupied counties with high black-population shares were significantly more likely to elect black politicians to key local-level fiscal offices. We then explore the effects on voter participation and show that in these counties turnout was comparatively higher during occupation but later lower in the post-Reconstruction years. Lastly, using the state conventions of 1867-68 and the gubernatorial races during Reconstruction we show that both the support and representation of Republicans was comparatively higher in largely black occupied counties.

6.1 Black Representation and Local Politics

Historians have emphasized that Republican leaders, especially black politicians, sought to increase revenues to fund an expansion of public services by increasing both statutory rates and the assessed value of property (e.g., [Current 1988](#), [Fitzgerald 2007](#)). Local politics

played a crucial role in this agenda because both the assessments and the collection for each level of government (i.e., state, county, and municipal) were done by local-level officials.²⁹ Similarly, county and municipal rates were determined by local-level councils and politicians. Foner (2011: 355) described the importance of these positions: “In the (pre-War) South, these positions had been monopolized by local elites, and the prospect of...(the) former slaves...occupying them alarmed the old establishment even more than their loss of statewide control.”

We begin by exploring whether black constituencies receiving the protection of the Army were better able to influence local politics. Namely, we test whether the presence of troops in counties with majority black populations influenced the selection of African Americans as local tax officials and members of boards with authority to levy local taxes. We use Foner’s (1993) directory of African-American officeholders during Reconstruction to identify black politicians holding these positions.³⁰ We focus on officials responsible for assessing the value of taxable property and tax collection, and on members of local-level councils and other such fiscal bodies.³¹ Following an approach similar to that used in the previous section, we

²⁹The assessment process was particularly important given that any increase in rates could be offset by the strategic under-assessment of the value of property by captured local officials. While this strategy was ubiquitous across the U.S., its use was particularly prevalent and important in the Southern states (see e.g., Seligman 1938; RJSC 1872: 230). Black politicians also believed that assessing the value of property closer to its commercial value was an indirect method of redistribution from planters to the former slaves (Foner 2011).

³⁰Foner’s data only includes African Americans who held office before Redemption, the timing of which varied by state. The dataset includes approximately 1600 unique officeholders.

³¹These positions and titles varied by state and include: Assessor, Tax Assessor, Internal Revenue Assessor/Collector, Collector of Taxes, Sheriff, Auditor/Treasurer, Board of Assessors, County/City Commissioner, County Supervisor, Board of Supervisors, City/Town Council, and Alderman/Board of Aldermen.

estimate a series of linear probability models of the form:

$$d_{is} = \delta b_i + \eta \phi_i + \gamma [b_i \times \phi_i] + \lambda_s + \mathbf{X}'_{is} \beta + v_{is}, \quad (3)$$

where d_{is} is a dummy indicator for whether county i in state s elected at least one black politician to these positions during Reconstruction.³² The parameter of interest γ captures the differential impact of black share on the likelihood of black officials in occupied counties. In \mathbf{X}_{is} we include the same set of controls, entered both directly and interacted with the occupation indicator ϕ_i . All other variables are defined as before.

The results in Table 3 show that the relative size of black constituencies in the occupied counties is highly correlated with the selection of black tax officials (e.g., property assessors, tax collectors). The point estimate of 0.52 (*s.e.* = 0.12) in column 1, model which only controls for state fixed effects, implies that in an occupied county an increase of one standard deviation in black share is associated with an increase in the likelihood of black tax assessors of about 12 percentage points. When compared with the likelihood of the average non-occupied county, this estimate implies a 19% percent increase.³³ This estimate remains almost identical when we add our baseline and income controls (columns 2-3).

In columns 4-6 we present the same specifications but using the presence of black officials in councils, boards, and other such bodies responsible for determining local tax rates (broadly labeled “supervisor”). The interaction term of interest is comparable to the previous models;

³²Since there were no black officeholders before Reconstruction, this specification is analogous to the long-difference models estimated previously.

³³The main effect of black share for the non-occupied counties is also positive and statistically significant, although the estimate is smaller ($\hat{\delta} = 0.19$, *s.e.* = 0.05).

Table 3
Black Officeholders and Occupation, 1868-1877

	Black Tax Official			Black Supervisor			Any Black Official		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Black Share $_{1860} \times$ Occupied	0.522 (0.125)	0.559 (0.155)	0.570 (0.171)	0.528 (0.121)	0.446 (0.153)	0.409 (0.174)	0.608 (0.128)	0.644 (0.163)	0.71 (0.182)
Baseline Controls	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes
Additional Controls	No	No	Yes	No	No	Yes	No	No	Yes
Observations	708	699	632	708	699	632	708	699	632
<i>R</i> -squared	0.272	0.287	0.294	0.339	0.344	0.341	0.391	0.397	0.407
Mean	0.085	0.086	0.089	0.11	0.112	0.116	0.153	0.155	0.16

Notes: Robust standard errors reported in parenthesis. Baseline controls include the 1860 (ln) total population and the (ln) real value per capita of farms. Additional controls include the (ln) real value per capita of agricultural output and the (ln) real value per capita of manufacturing (both from 1870). All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

the estimate of 0.41 (*s.e.* = 0.17) in column 6, for instance, implies that in occupied counties a one standard deviation increase in black share is associated with a 9% increase in the likelihood of having a black supervisor. In columns 7-9 we combine both types of positions into a single indicator. The joint effect of black share and occupation in these specifications is higher; the estimate of 0.71 (*s.e.* = 0.18) in the full model (column 9) implies that in the occupied counties a one percentage point increase in black-population share is associated with more than a 0.7% increase in the likelihood in the election of at least one black official.

These findings suggest that counties under federal occupation which were potentially strongholds for the Republican party were more likely to elect local black officials. Although this is in line with our interpretation that where the troops protected black voters these were more likely to obtain political power, these findings should be interpreted with caution. In particular, our list of black officials is certainly an undercount of the total number of local

Republican officials elected during Reconstruction.³⁴ Also, the lists of black officeholders for the post-Reconstruction years are unavailable (although it is clear that the number of black politicians fell precipitously after Reconstruction (Foner 2011)). Thus, we are not able to fully assess the relationship between occupation and local Republican control.

6.2 Electoral Participation and Representation

The rise of African Americans to political positions and the Republican Party in the South more generally, was closely associated with the mass mobilization of black voters (Foner 1993). This is particularly important since most models of democratization are based on changes in the composition of the electorate (e.g., Acemoglu & Robinson 2006). In these models, the rising demand for redistribution only occurs if the newly enfranchised are able to organize and exercise their right to vote.³⁵ Thus, the occupation of counties where black voters composed larger shares of the electorate should be associated with significant changes in electoral participation. Similarly, Republican support should be significantly higher in these counties.

In Table 4 we explore this potential mechanism using three separate measures. First, we use the county-level turnout in presidential elections, as reported in Clubb, Flanigan and Zingale (2006), as a proxy for the change in participation across the different periods.³⁶ This

³⁴Our data is likely missing black officeholders not included by Foner (1993) and the many white Northern and Southern Republicans (“carpetbaggers” and “scalawags”) who also supported pro-Reconstruction policies.

³⁵Furthermore, studies on the impact of enfranchisement in other periods (e.g., Cascio and Washington 2013, Lott and Kenny 1999) have found significant positive effects on voter participation.

³⁶These authors calculate the turnout rate taking the total votes as a share of the estimated size of the electorate. This means that adult male slaves are excluded in the pre-war period.

data is a substitute for voter registration records (which are not available for most states) and is largely consistent across states. In addition, given that presidential turnout is available every four years we can estimate the joint impact of black population and occupation in each period using a triple-difference specification similar to ones used previously.

Table 4
Political Participation and Republican Support

	$\Delta \ln$ (Presidential turnout) 1860-1868/72		$\Delta \ln$ (Presidential turnout) 1868/72-1880		Republican Share Gubernatorial Elect. 1867-68		Republican Delegates State Conventions 1868-1877	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black Share ₁₈₆₀ × Occupied	0.764 (0.248)	0.794 (0.251)	-0.769 (0.244)	-0.704 (0.248)	0.157 (0.063)	0.196 (0.063)	1.234 (0.578)	1.202 (0.587)
<i>Additional Controls</i>	No	Yes	No	Yes	No	Yes	No	Yes
Observations	652	593	689	626	698	632	544	515
<i>R-squared</i>	0.451	0.526	0.487	0.535	0.559	0.566	0.489	0.501

Notes: Robust standard errors reported in parenthesis. All models include the 1860 (ln) total population and the (ln) real value per capita of farms. Additional controls include the (ln) real value per capita of agricultural output and the (ln) real value per capita of manufacturing from 1870. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

First, we explore the change in turnout between 1860 and 1868-72.³⁷ As seen in columns 1-2, the differential increase in turnout during these years was significantly greater in the occupied high black-population share counties. The magnitude of this effect is substantial; the point estimate of 0.79 (*s.e.* = 0.25) in the full model (column 2) implies that in the occupied counties presidential turnout increased approximately 0.8% for each percentage point increase in black population share. For the average occupied county, this represents an increase in turnout of approximately 35%, compared to the average non-occupied county.³⁸

³⁷In these models we use a contemporaneous measure of occupation. That is, for models taking the change between 1860 and 1868-72 we use a dummy indicating occupation from 1868 to 1872 (i.e., we exclude counties occupied after 1872).

³⁸On average, turnout declined more than 19% over this period, which would indicate that the overall participation rate of black voters was lower than the (pre-war) participation rate of whites

In columns 3-4 we report the change in turnout between 1868-72 and 1880, the first post-Reconstruction presidential election. In contrast to the period going into Reconstruction, in this case we find that in the formerly occupied counties turnout grew at a significantly *lower* rate. This is consistent with studies suggesting that the decline in turnout in the post-Reconstruction period preceded the introduction of de jure voting restrictions starting in the 1890s (e.g., [Key 1984](#); [Bertocchi & Dimico 2017](#)). The point estimate of -0.70 ($s.e. = 0.25$) in column 4 indicates that in occupied counties, a one standard deviation increase in black share is associated with a decline in turnout of approximately 16%.

Our second test of the potential political impact of occupation is based on the local support for Republican candidates. Although there is no systematic archive of local or state-legislative elections by vote totals or party, we use two state-level elections in which we can identify partisanship. First, we use [Dubin \(2010\)](#) to calculate the average vote share for the Republican Party in the gubernatorial elections taking place during the complete Reconstruction period.³⁹ Since Republican voters in these states were primarily African American, this measure is also a proxy for black electoral mobilization. As reported in columns 5-6, the estimated interaction effect of black share and occupation is substantial and highly statistically significant. For instance, the estimate of 0.196 ($s.e. = 0.063$) in column 6 implies a difference in Republican support between the average occupied county and the average non-occupied county of approximately 37%.⁴⁰ This difference is remarkably

males.

³⁹The number of elections included in the estimation varies by state, the minimum is 2 (Arkansas and Virginia) and the maximum is 5 (South Carolina).

⁴⁰The main effect of black share in this model is substantial and highly significant (point estimate of 0.505 , $s.e. = 0.038$).

similar to the mean difference we find between occupied and non-occupied counties in the turnout models of columns 1 and 2.

Second, we use the biographical information collected by [Hume & Gough \(2008\)](#) on the delegates elected to the mandated constitutional conventions of 1867-68, the first legislative bodies to include African Americans. We use the race and regional origin of each delegate to identify Republican representatives, which we define as those delegates who were black, mixed raced and Northern whites. In total, we identify 377 Republican delegates elected from 225 districts in the ten Reconstruction states.⁴¹

Columns 7 and 8 present the same specifications as before taking the number of Republican delegates and using a contemporaneous indicator of occupation. In these models, the incidence of Republican delegates is positively correlated with the presence of troops and majority-black constituencies. The estimated interaction term of 1.23 (*s.e.* = 0.58) in column 5, indicates that a one standard deviation increase in black share in an occupied district is associated with 0.27 more Republican representatives. This coefficient remains significant at the 5% level once we control for additional economic factors (column 6).

In sum, these results support our argument that federal troops facilitated the participation and representation of black voters in the areas where they represented larger shares of the electorate.

⁴¹[Hume & Gough \(2008\)](#) used the manuscript census returns to determine the race and regional origin of 839 of the total 1,108 delegates elected to the ten state conventions.

7 Political Violence

In this section, we explore a key assumption of our argument linking the presence of troops and local politics: proximity to federal authorities limited the ability of Democrats to capture the political process using violence against African Americans. While there is an extensive literature on the political determinants of lynchings in the South (see e.g., [Hagen et al. 2013](#); [Reed 1972](#); [Tolnay & Beck 1995](#)), it only focuses on the post-Reconstruction decades.⁴² Yet, historians have documented a surge in the violence against African Americans, at levels perhaps unprecedented, soon after federal troops occupied the former Confederacy.⁴³

Critical to our argument, this surge in racial violence was largely politically motivated. According to Foner (1988, 425), white terrorist groups such as the KKK were a “military force serving the interests of the Democratic party...” and thus directed their attacks mainly against “politically active blacks, black civil servants, blacks who were economically successful, and blacks who refused to kowtow to white supremacists (Tolnay and Beck 1995, 6).” In the words of a former Klan member from South Carolina, who testified in the aforementioned RJSC in 1871, the aims and methods of the organization were “...to advance the conservative party and put down the radical (Republican) party...By killing, and whipping, and crowding out men from the ballot-boxes (as quoted by Tolnay and Beck 1995, 8).”

While a comprehensive dataset of politically-motivated violence during Reconstruction is likely impossible to construct, we use the testimonies from the RJSC (1872) to identify

⁴²The main source for these studies, the *Chicago Tribune*, only began publishing annual reports of lynchings and executions in 1882.

⁴³For instance, in 1866 massive riots left several dozens killed and black churches, schools and homes burned occurred in Tennessee and Louisiana (Tolnay and Beck 1995, 5).

political murders of African Americans by organized groups, primarily the KKK, during the early Reconstruction years. In addition to a majority report from the committee on the rise of the KKK, the RJSC included twelve volumes of extensive testimonies from six states detailing acts of violence against African Americans and white Republicans.⁴⁴ The indices in the reports for five of these discloses each person identified in the testimonies as being murdered by their race and location.⁴⁵ For each victim, we checked the complete testimony to confirm that it was indeed a politically-motivated case and verified the county and exact year in which the murder occurred.⁴⁶ In total, we are able to identify 320 political murders between 1866 and 1871 in 173 different counties. Online Appendix Figure OA2 shows the share of counties in each state registering at least one murder across the period.

In Table 5, we use these cases to estimate a panel specification using the within-county variation in both violence and the occupation. Specifically, we estimate a series of linear probability models explaining the likelihood of violence as a function of contemporaneous and lagged occupation. In all models, we include county fixed effects to account for the time-invariant unobserved characteristics that could potential influence both violence and the location of troops. Standard errors are clustered at the county level to account for serial correlation.

⁴⁴This ad hoc Congressional committee conducted an extensive number of interviews and recorded the testimonies of military commanders, Southern whites, black victims, and Northern whites (i.e., “carpetbaggers”) across six Southern states to assess violations of black civil and political rights, with particular emphasis on cases of KKK violence. Each attestant was asked to detail every act of political violence against African Americans they were aware of.

⁴⁵These states are: Alabama (Volumes VIII, IX, X), Florida (Volume XIII), Georgia (Volumes VI, VII), Mississippi (Volumes XI, XII), and South Carolina (Volumes III, IV, V). Because we could not accurately identify political murders in North Carolina from the index and testimonies, we omitted this state from the analysis.

⁴⁶Unlike the standard measures used in the Southern lynching literature, we attempt to exclude cases of non-political violence (e.g., murders for personal reasons).

As seen, the occupation is negatively and significantly associated with the incidence of political violence. Column 1 presents a parsimonious model which controls only for county fixed-effects. The point estimate of -0.13 ($s.e. = 0.02$) in this model indicates that the likelihood of violence in an occupied county is around 13 percentage points lower compared to a non-occupied one. The magnitude of this estimate declines once we flexibly control for year effects and our baseline 1860 controls (which include county black share) but remains statistically significant at the 1% level (column 2).

Table 5
Political Violence

	All	All	Below 1860 Black Share Median	Above 1860 Black Share Median	All	All	Below 1860 Black Share Median	Above 1860 Black Share Median
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Occupied _t	-0.134 (0.024)	-0.072 (0.026)	-0.029 (0.046)	-0.096 (0.033)				
Occupied _{t-1}					-0.108 (0.03)	-0.061 (0.031)	-0.039 (0.053)	-0.071 (0.038)
Year FE	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Controls x Year FE	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Observations	1,961	1,806	903	903	1,629	1,500	750	750
R ²	0.021	0.089	0.081	0.114	0.012	0.068	0.063	0.092
Clusters (Counties)	332	306	153	153	332	306	153	153

Notes: Robust standard errors clustered by county reported in parenthesis. 1860 controls include county black-population share, (ln) total county population and (ln) real per capita value of farms. Each control is interacted with year dummies. All models include a full set of county fixed effects.

In columns 3-4 we explore the potential interaction effect between troops and the relative size of black constituencies. We do this by performing a simple split-sample strategy taking separately counties with a black share below and above their respective state-specific median. As expected, the negative association between occupation and violence is driven by counties with large black constituencies. While the estimate for the low black-share sample is not statistically significant, the one for the high black-share sample is highly significant and

larger in magnitude than the one for the full sample (point estimate of -0.096 , $s.e. = 0.03$).

Lastly, in columns 5-8 we further use the time variation in the data to address the issue of reverse causality (i.e., violence leads to occupation), which could potentially bias our estimates downwards.⁴⁷ Specifically, we use a lagged occupation indicator which is less likely to suffer from reverse causation.⁴⁸ The estimates on the lagged indicator are slightly smaller than the ones of the contemporaneous models but they are highly significant. For instance, the estimate of -0.108 ($s.e. = 0.03$) in the model with no controls (column 5) implies that an occupied county is approximately 11% less likely to report murders in the following year. Lagged occupation is also associated with less violence in both the low and high-black-share counties albeit the estimate for the former is not statistically significant.

As a complement to these results, in our Online Appendix we present some robustness tests (Table OA10). First, we perform a placebo test and use a forward occupation indicator to demonstrate that violence at time t is not explained by occupation at $t+1$ (columns 1-3). Second, we create a “departure” indicator and find that counties where troops depart are more likely to experience violence the following year compared to counties under continuous occupation.

Overall, these results provide suggestive evidence of the effective deterrence of troops in the initial years of Reconstruction, particularly in counties where African Americans represented larger constituencies. Since it is certainly the case that the RJSC testimonies are not

⁴⁷If the troops are selecting violent counties and violence has a direct impact on economic outcomes (e.g., taxation), then our estimates are potentially downward biased because our blunt occupation measure is capturing these direct negative influences of violence.

⁴⁸A lagged indicator could still pick up the influence of violence as some counties report having murders in consecutive years. Still, only 10 counties out of 332 included in the sample report cases in multiple consecutive years.

exhaustive of the political violence perpetrated against African Americans during the period, this evidence should be interpreted with caution and as a first attempt to systematically explore the determinants of political violence during the period.⁴⁹

8 Conclusion

The military occupation of the South following the Civil War was fundamental to Congressional Republicans' plan to transform Southern politics. Facing a hostile white population, the Army was tasked with protecting black voters as well as enforcing their civil rights. This process was not uniform, as both the spatial distribution of black voters and the presence of troops varied substantially within each state. In this paper we use this variation to estimate the joint impact of enfranchisement and enforcement on fiscal outcomes. We find that occupied counties where black voters comprised larger shares of the electorate levied significantly higher per capita state and local taxes as compared to similar non-occupied counties. These counties then saw comparatively greater declines in tax revenues in the decades following the end of the federal occupation.

We explore a set of plausible mechanisms explaining these differential fiscal trends. First, we demonstrate that turnout and electoral support for Republicans increased relatively more in occupied counties with higher black-population shares during Reconstruction. Also in these counties, political violence was significantly lower, and African Americans were more likely to hold local office. In sum, these findings are supportive with our interpretation that the presence of federal troops was crucial for the capacity of African Americans to exercise

⁴⁹The underreporting, however, is likely to cause an attenuation bias in our estimates as political murders are presumably less likely to be reported in the unoccupied counties.

the necessary political power to promote their interests.

Our findings have a number of important implications. For one, this demonstrates that an important missing factor in most studies on the consequences of democratization is the extent to which reforms are effectively enforced. While the violent response to black enfranchisement from Southern whites may represent an extreme case, similar mechanisms are clearly possible in many other contexts. In particular, when the distribution of economic resources is highly unequal and persistent across political regimes, the enforcement of democratic reforms is likely critical to the incidence of redistribution.

Our research also contributes to the recent literature exploring the efficacy and consequences of military occupations (e.g., [Edelstein 2004](#); [Berman et al. 2011](#)). We provide evidence that occupations can promote local-level democracy, but their success ultimately depends on permanent coercive capacity. While outside the scope of our study, our findings do not suggest that this effect persists after troops depart. Given the demonstrably harmful consequences of Reconstruction's ending on black human capital and wealth accumulation, an interesting question is what would have occurred if the US Congress had allocated more resources and time to establish a monopoly of violence in the former rebel states and completely suppress white insurgencies. Given the long-running occupations of Afghanistan and Iraq, these are questions with which policy makers will continue to grapple.

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DATA APPENDIX

Table A1. Occupied Counties during Congressional Reconstruction (1868-1877)

Alabama (16)
Bullock, Calhoun, Colbert, Dallas, Hale, Jefferson, Lee, Lowndes, Madison, Marengo, Marshall, Mobile, Montgomery, Morgan, Sumter, Tuscaloosa
Arkansas (8)
Independence, Jefferson, Ouachita, Pope, Pulaski, St. Francis, Sebastian, Washington
Florida (11)
Alachua, Columbia, Dade, Duval, Escambia, Hillsborough, Jackson, Leon, Monroe, Nassau, St. Johns
Georgia (15)
Bibb, Bulloch, Chatham, Chattooga, Decatur, Dougherty, Floyd, Fulton, Glynn, Greene, Houston, Lumpkin, Muscogee, Richmond, Warren
Louisiana (22)
Ascension, Bossier, Caddo, Calcasieu, Catahoula, East Baton Rouge, East Feliciana, Franklin, Grant, Iberia, Madison, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, St. Landry, St. Martin, St. Mary, Tangipahoa, Tensas
Mississippi (22)
Adams, Alcorn, Claiborne, Grenada, Harrison, Hinds, Holmes, Jackson, Kemper, Lafayette, Lauderdale, Lee, Lincoln, Lowndes, Marshall, Monroe, Noxubee, Panola, Pike, Tallahatchie, Warren, Wayne
North Carolina (16)
Alamance, Burke, Caswell, Cleveland, Craven, Dare, Lincoln, McDowell, Mecklenburg, New Hanover, Orange, Robeson, Rutherford, Wake, Warren, Wayne
South Carolina (21)
Abbeville, Barnwell, Beaufort, Charleston, Chester, Colleton, Darlington, Edgefield, Georgetown, Greenville, Kershaw, Lancaster, Laurens, Marion, Marlboro, Newberry, Richland, Spartanburg, Sumter, Union, York
Texas (59)
Anderson, Austin, Bell, Bexar, Brazoria, Brazos, Calhoun, Cameron, Colorado, Comal, Dallas, El Paso, Freestone, Galveston, Goliad, Grayson, Guadalupe, Harris, Harrison, Henderson, Hidalgo, Hopkins, Hunt, Jack, Karnes, Kaufman, Kerr, Kinney, Lampasas, Leon, McLennan, Marion, Mason, Maverick, Menard, Milam, Montague, Nacogdoches, Navarro, Nueces, Parker, Polk, Presidio, Red River, Refugio, Robertson, San Augustine, Shackelford, Smith, Titus, Travis, Tyler, Uvalde, Van Zandt, Walker, Washington, Webb, Wharton, Zapata
Virginia (22)
Albemarle, Alexandria, Campbell, Elizabeth City, Essex, Fauquier, Frederick, Henrico, James City, Montgomery, Nansemond, New Kent, Norfolk, Nottoway, Powhatan, Prince Edward, Prince George, Roanoke, Rockbridge, Smyth, Spotsylvania, York

Notes: Lists correspond to counties registering at least one Army outpost (companies or detachments) during the period. Sources: Downs and Nesbit (2015) and Atlas of Historical County Boundaries, The Newberry Library.

Table A2. Sources, Prewar Fiscal Data

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- Alabama: *Report of the Treasurer of the State of Alabama*, 1856.
- Arkansas: *Biennial Report of the Auditor of Public Accounts of the State of Arkansas*, 1858
- Florida: *Report of the Comptroller of Public Accounts*, 1860 (found in the *Journal of the Proceedings of the House of Representatives of the General Assembly of the State of Florida, at Its Tenth Session, Begun and Held at the Capitol, in the City of Tallahassee, on Monday, November 26, 1860*)
- Georgia: *Annual Report of the Comptroller General of the State of Georgia made to the Governor*, October 20, 1861
- Louisiana: *Annual Report of the Auditor of Public Accounts, to the Legislature of the State of Louisiana*, January, 1861.
- Mississippi: *Report of Auditor of Public Accounts to the Legislature of the State of Mississippi*, Nov. 7, 1859 [Document H (p. 294-296)]. (found in the *Journal of the House of Representatives of the State of Mississippi*, 1859)
- North Carolina: *Comptroller's Statement of Public Revenue and Expenditure, 1861* (found in *Public Laws of the State of North-Carolina*, Passed by the General Assembly, at its Session of 1860-1861 (p. 212-213))
- South Carolina: *Report of the Comptroller General to the Legislature of the South Carolina*, November, 1861 (found in *Reports and Resolutions of The General Assembly of the State of South Carolina*, passed at the Annual Session of 1861)
- Texas: *Treasurer's Report for the Year 1859* (found in *Texas Almanac and State Industrial Guide for 1860*. Statistics of the Counties (Texas) for the Year 1859).

Virginia: *Biennial Report of the Auditor of Public Accounts of the State of Virginia*, 1860 & 1861. [DOC. No. V.]

Table A3. Variables and Sources

Variable	Description	Source
<i>Outcomes</i>		
Per capita State Revenue 1860-1890	Real state tax revenue/total county population, 1860-1890	See Table A2 for 1860, US Census (1870, 1880), and Wealth, Debt and Taxation (1895)
Per capita County Revenue 1870-1890	Real county tax revenue/total county population, 1870-1890	US Census (1870, 1880). Wealth, Debt and Taxation (1895)
Per capita Total Non-National Revenue 1870-1890	Real total non-federal tax (state & county & town) revenue/total county population, 1870-1890	US Census (1870, 1880). <i>Wealth, Debt and Taxation</i> Report, U.S Census (1895)
Black Local Tax Officials and Tax Supervisors	Indicator for whether the county elected a black politician to a tax assessor or a local council position	Foner (1993)
Turnout Presidential Elections, 1860-1880	Total county votes in presidential elections (1860, 1868, 1872, 1876, 1880)/estimated eligible voting population	Clubb, Flanigan and Zingale (2006)
Republican vote share, 1868-1878	Share for Republican candidates gubernatorial races, 1868-1878	Dubin (2010)
Republican State Convention Delegates, 1868	Black, mixed, and Northern white delegates in the state Reconstruction conventions of 1868	Hume & Gough (2008)
Political Violence against African Americans, 1866-1871	Indicator for whether the county experienced a politically-motivated murder of an African American by the KKK between 1866 and 1871	<i>Report of the Joint Select Committee on the Condition of Affairs in the Late Insurrectionary States</i> , U.S. Congress (1872)

Table A3. Variables and Sources (cont.)

Variable	Description	Source
<i>Variables of Interest</i>		
Black Population Share	Slave + free black population/total county population, 1860	U.S. Census (1860)
Military Occupation	Indicator for whether an US Army garrison was stationed in a county between 1868 and 1877	Downs and Nesbit (2015)
<i>Main controls</i>		
Urbanization	Proportion of total county population living in towns of at least 2500 residents	U.S. Census (1860, 1870, 1880, 1890)
Farm Values per capita	Total value of farms over total county population, 1860	U.S. Census (1860)
Land Inequality	Gini coefficient of land ownership in 1860. We aggregate the farm acreage categories of the Census into : i) 3 to 9, ii) 10 to 19, iii) 20 to 49, iv) 50 to 99, v) 100 to 499, vi) 500-999, and vii) more than 1000 acres, and use the median acreage in each to estimate the total number of farms correspondingly.	U.S. Census (1860)
Agriculture Output per capita	Value of county agriculture output over total county population, 1870	U.S. Census (1870)
Manufacturing Output per capita	Value of county manufacturing output over total county population, 1870	U.S. Census (1870)
Relative Representation Index	A county's relative representation in the state legislature.	US Census, state constitutions, and statutes on apportionment (1870)

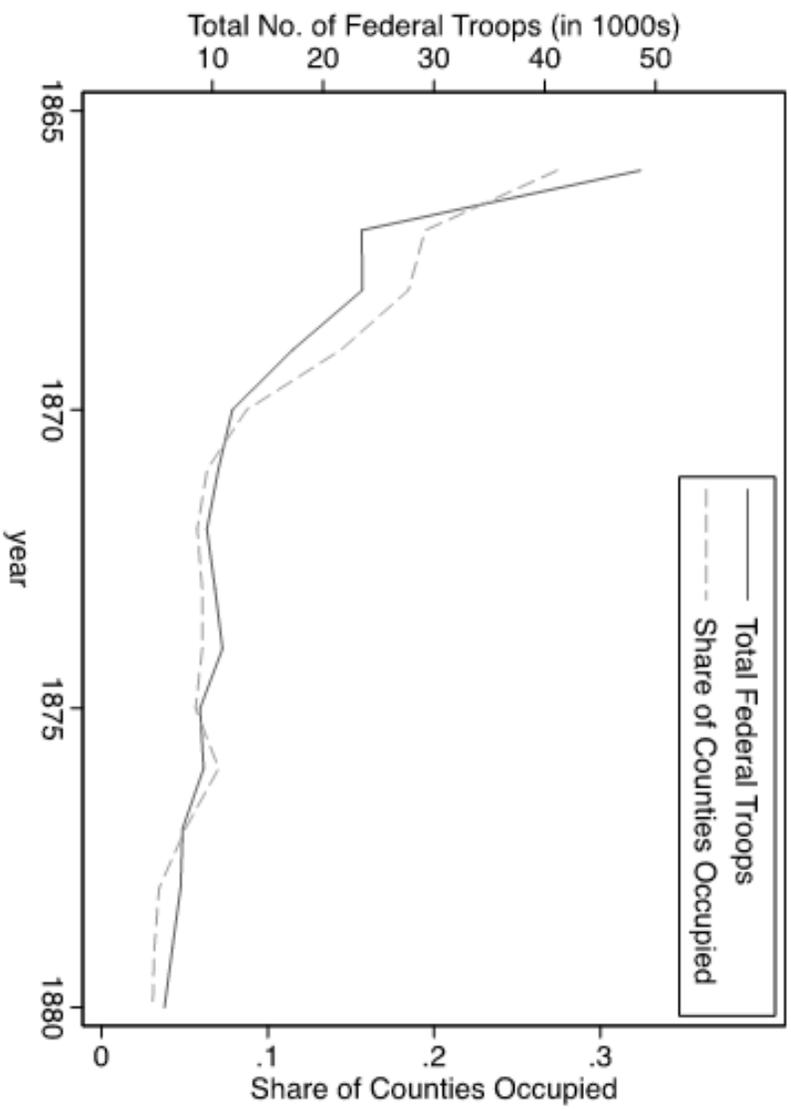
Table A4. Event-Study Estimates

	ln (Per capita state tax revenues) 1860-1890		ln (Per capita county tax revenues) 1870-1890		ln (Per capita total non-national tax revenues) 1870-1890	
	(1)	(2)	(3)	(4)	(5)	(6)
Black share ₁₈₆₀ × Occupation indicator						
× Year indicator for						
j=1870	0.419 (0.194)	0.464 (0.199)				
j=1880	0.149 (0.153)	0.126 (0.149)	-0.233 (0.359)	-0.159 (0.367)	-0.219 (0.213)	-0.202 (0.213)
j=1890	-0.038 (0.248)	-0.047 (0.254)	-0.880 (0.357)	-0.889 (0.358)	-0.594 (0.301)	-0.601 (0.319)
<i>Additional Controls</i>						
	no	yes	no	yes	no	yes
Observations	2,753	2,506	2,077	1,888	2,081	1,891
R-squared	0.719	0.721	0.622	0.628	0.646	0.649
Number of clusters (counties)	699	632	699	632	699	632

Notes: Robust standard errors clustered at the county-level reported in parenthesis. All models control for (ln) total population and the (ln) real value per capita of farms, from 1860. Additional controls are 1870 (ln) real value per capita of agricultural output and the (ln) real value per capita of manufacturing. All controls are interacted with time dummies and with both time dummies and the occupation indicator. All models include county fixed effects and state-specific time effects.

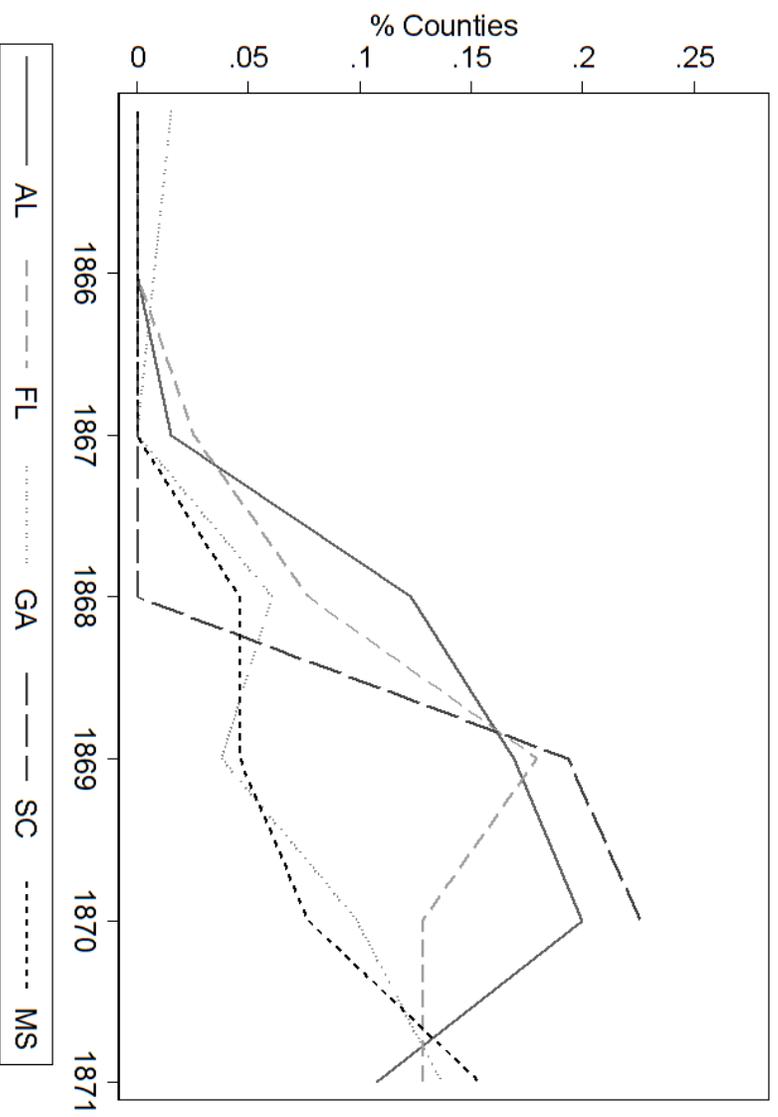
ONLINE APPENDIX
(Not for publication)

Figure OA1. Total Troops and Share of Counties Occupied, Reconstruction States



Notes: Authors' calculations based on Downs and Nesbit (2015). Ten Reconstruction states: AL, AR, FL, GA, LA, MS, NC, SC, TX and VA.

Figure OA2. Political Murders, 1866-1871



Notes: Authors' coding from the *Report of the Joint Select Committee to Inquire into the Condition of Affairs in the Late Insurrectionary States* (United States Congress, Joint Select Committee on the Condition of Affairs in the Late Insurrectionary States, 1872).

Figure OA3. Example Fiscal Data Arkansas c.1860
 (Biennial Report of the Auditor of Public Accounts of the State of Arkansas, 1858)

STATEMENT—From the Printed Reports of the Auditor, &c.—CONCLUDED.

No.	COUNTIES.	No. of horses and mares over 2 years old.	Value of horses and mares.	No. of mares over 2 years old.	Value of mules.	No. of jacks and jennies.	Value of jacks and jennies.	No. of cattle over 2 years old.	Value of cattle.	Value of goods, wares and merchandize of all merchants, druggists, traders, etc.	Money loaned at interest beyond amount on which interest is paid.	Capital in steamboats, ferries and toll-bridges.	Value of gold watches and jewelry of every kind.	Capital invested in manufactoryes.	Total value of taxable property.	Total amount state tax.	No.
1	Arkansas.....	990	\$92845	1112	\$112100	21	\$2040	7288	\$74875	\$49600	\$410	\$55	\$6080	.....	\$5350685	\$9109 39	1
2	Ashley.....	1288	115364	938	100586	10	565	6685	67739	109725	56914	55	10515	.....	4218329	7069 40	2
3	Bradley.....	1289	112715	563	55492	12	1760	6198	66876	7421	34069	1150	7456	.....	3011689	5028 59	3
4	Benton.....	2272	159445	297	82100	28	4285	5210	67232	23811	34178	.....	2586	.....	1471812	2458 01	4
5	Conway.....	1410	101762	266	23460	14	2575	4718	60072	49636	10284	175	2765	.....	1046995	2345 08	5
6	Carroll.....	2417	183009	154	18020	102	6865	7204	99327	15954	25087	.....	1521	.....	1075686	1792 80	6
7	Calhoun.....	561	47127	244	24695	4	600	11400	27736	42419	14031	.....	1300	.....	1078526	1795 74	7
8	Columbia.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	8
9	Crawford.....	1858	12881	367	27790	66	8335	3068	46743	1000	16167	29945	6090	.....	1366875	2475 15	9
10	Clark.....	1216	101477	427	45780	17	2980	3085	52860	89185	39319	7284	5099	.....	2604344	4340 48	10
11	Crittenden.....	844	66619	491	55850	11	1280	4753	49572	6700	9300	5000	5853	.....	4718541	7877 45	11
12	Chicot.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	12
13	Craighead.....	610	45092	116	9866	12	1200	2423	31347	195	2405	.....	306	.....	502440	846 46	13
14	Dallas.....	1097	100323	730	74963	2	550	8879	46127	.....	162730	1050	9489	.....	3423719	4302 12	14
15	Drew.....	1135	98660	659	54300	30	3580	4127	51420	1260	19820	600	4520	509	3560287	6636 25	15
16	Desha.....	850	58829	1157	114595	3	700	3787	38170	72574	.....	.....	7385	.....	4852887	7809 10	16
17	Fulton.....	766	57676	61	4230	18	1700	2754	36154	19608	595	.....	380	.....	685673	2215 17	17
18	Franklin.....	2875	96710	308	23495	87	4340	2555	53561	9645	28344	1075	.....	.....	1322564	2223 35	18
19	Greene.....	975	7028	115	10855	14	1495	4174	57764	10743	6196	.....	1659	.....	869192	1659 99	19
20	Hempstead.....	1956	153695	1158	96040	30	3325	7382	61956	178076	44390	480	16085	1486	4387123	7308 81	20
21	Hot Spring.....	1021	84515	316	21520	4	685	3490	42970	15275	8298	1049	2190	.....	928623	1571 00	21

Table OAI. Main Political Events 1863-1890

January 1, 1863	President Lincoln issues Emancipation Proclamation, which changes the legal status of slaves in the Confederacy
January 25, 1865	House of Representatives passes the Thirteenth Amendment abolishing slavery in the US
April 9, 1865	Robert E. Lee surrenders the Army of Northern Virginia (effectively ending the Civil War)
May 25, 1865	"Presidential Reconstruction" - President Johnson issues Amnesty Proclamation pardoning white Southerners. Restores private property to pre-war owners (preempting land reform)
December 1865	Southern states enact black codes restricting civil rights of African Americans
Early 1866	The Ku Klux Klan, and other white supremacist groups, form across the South
Summer 1866	Scores of African Americans killed in deadly riots across Southern cities, such as Memphis and New Orleans
July 9, 1866	Congress adopts the Fourteenth Amendment (certified July 1868)
March 2, 1867	Congress passes the Military Reconstruction Act (followed by 3 more), placing ten Southern states into military districts and requiring the military to register black voters and enforce their political rights.
Winter 1867-1868	State "Reconstruction Conventions," as mandated by Congress, are held in all occupied states.
November 3, 1868	Republican Ulysses S. Grant elected president ensuring presidential support for "Radical" Reconstruction
February 26, 1869	Congress passes the Fifteenth Amendment prohibiting racial discrimination for voting (certified March 1870)
December 1869	Due to widespread violence against Republicans, Georgia is returned to military rule
May 25, 1870	Congress passes the Enforcement Act (<i>aka</i> the Ku Klux Klan Act) empowering President to use the military and the judiciary to enforce black rights in the South. Two subsequent enforcement acts are passed in 1870 and 1871
December 1871	First "Redeemer" government (Democratic control of governorship and state legislature) takes power in Georgia
February 1872	Congress details violence against African Americans in its <i>Report of the Joint Select Committee to Inquire into the Condition of Affairs in the Late Insurrectionary States</i>
1873 - 1874	"Redeemer" governments take power in Texas (1873), Virginia (1873), Alabama (1874) and Arkansas (1874)
November 1874	Following the Panic of 1873, Democrats win the House of Representatives for first time since before the Civil War; ends any further Congressional support for Reconstruction
1875 - 1876	"Redeemer" governments take power in remaining Southern states
March 1877	As part of the "Compromise of 1877", Republican Hayes becomes president, promising to remove remaining federal troops and end all federal interference in Southern politics.
November 1, 1890	Mississippi becomes first Southern state to adopt literacy tests to remove the right to vote for African Americans. Similar restrictions are adopted by all former Reconstruction states by the late 1900s

Table OA2. Robustness Test. Common Support Samples

	$\Delta \ln$ (Per capita state tax revenues) 1860-1870			$\Delta \ln$ (Per capita state tax revenues) 1870-1890			$\Delta \ln$ (Per capita county tax revenues) 1870-1890		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Black share ₁₈₆₀	0.400	0.520	0.556	-0.586	-0.473	-0.400	-1.257	-0.849	-0.973
\times Occupation indicator	(0.208)	(0.199)	(0.269)	(0.286)	(0.265)	(0.352)	(0.377)	(0.362)	(0.393)
<i>Common Support Sample:</i>									
	Black Share 1860	P-score Occupation	P-score Occupation & Inverse P-score Occupation Weighting	Black Share 1860	P-score Occupation	P-score Occupation & Inverse P-score Occupation Weighting	Black Share 1860	P-score Occupation	P-score Occupation & Inverse P-score Occupation Weighting
Observations	540	610	610	548	621	621	547	620	620
<i>R</i> -squared	0.599	0.653	0.595	0.617	0.606	0.557	0.630	0.605	0.566

Notes: Samples in 1, 4, and 7 exclude counties having a county black share in 1860 lower than the 10th percentile of the non-occupied counties (6.7%) and counties having a black share of more than the 90th percentile of this measure in the occupied counties (72%). Samples in all other models exclude non-occupied counties having a propensity score of occupation lower than the minimum score of occupied counties (3%) and occupied counties having a propensity score higher than the maximum score of non-occupied counties (58.5%). Observations of non-occupied counties in models in columns 3, 6, and 9 are weighted by $p/(1-p)$, where p is the estimated propensity score of occupation. Robust standard errors reported in parenthesis. All models include 1860 and 1870 controls defined as before and a full set of state fixed effects. All controls are entered directly and interacted with the occupation indicator.

Table OA3. Robustness Tests. Additional Controls

	$\Delta \ln$ (Per capita state tax revenues), 1860-1870								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Black share ₁₈₆₀	0.492	0.507	0.514	0.462	0.637	0.502	0.614	0.437	0.491
× Occupation indicator	(0.198)	(0.216)	(0.213)	(0.194)	(0.277)	(0.205)	(0.236)	(0.192)	(0.220)
Observations	613	613	613	613	611	613	612	613	611
<i>R</i> -squared	0.652	0.652	0.653	0.653	0.660	0.659	0.654	0.656	0.655
	$\Delta \ln$ (Per capita state tax revenues), 1870-1890								
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Black share ₁₈₆₀	-0.496	-0.530	-0.527	-0.444	-0.679	-0.542	-0.486	-0.470	-0.439
× Occupation indicator	(0.262)	(0.271)	(0.270)	(0.257)	(0.329)	(0.256)	(0.287)	(0.260)	(0.274)
Observations	625	625	625	625	624	625	624	625	624
<i>R</i> -squared	0.609	0.611	0.611	0.616	0.615	0.610	0.610	0.608	0.613
	$\Delta \ln$ (Per capita county tax revenues), 1870-1890								
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
Black share ₁₈₆₀	-0.885	-0.920	-0.918	-0.907	-1.138	-0.962	-0.932	-0.963	-0.843
× Occupation indicator	(0.361)	(0.369)	(0.369)	(0.367)	(0.427)	(0.354)	(0.411)	(0.356)	(0.377)
Observations	624	624	624	624	623	624	623	624	623
<i>R</i> -squared	0.612	0.613	0.613	0.613	0.616	0.615	0.612	0.612	0.613
<i>Additional Controls</i>	\ln Troops	Mean # Military Units	Mean # Occupied	Population Density 1860	Distance State Capital	War Agricultural Destruction	Cotton Suitability Index	Land Gini 1860	Relative Re-presentation c. 1870

Notes: Robust standard errors reported in parenthesis. All models include 1860 demographic controls and 1870 income controls defined as before, and a full set of state fixed effects. All controls are entered directly and interacted with the occupation indicator.

Table OA4. Robustness Tests. Sharecropping Acres

	$\Delta \ln$ (Per capita state tax revenues) 1870-1890		$\Delta \ln$ (Per capita county tax revenues) 1870-1890		$\Delta \ln$ (Per capita total non-federal tax revenues) 1870-1890	
	(1)	(2)	(3)	(4)	(5)	(6)
Black share 1860	-0.607	-0.537	-0.912	-0.870	-0.667	-0.628
× Occupation indicator	(0.258)	(0.259)	(0.369)	(0.365)	(0.330)	(0.331)
Share-cropping acres 1880 / Total improved acres 1880	0.008		0.101		0.061	
	(0.074)		(0.106)		(0.087)	
Δ Share-cropping acres 1880-1890		0.146		0.026		0.116
		(0.089)		(0.115)		(0.100)

<i>Additional Controls</i>	yes	yes	yes	yes	yes	yes
	Observations	621	618	620	617	623	620
<i>R</i> -squared	0.614	0.610	0.610	0.606	0.628	0.625

Notes: Robust standard errors reported in parenthesis. All models include 1860 demographic controls and 1870 income controls defined as before, and a full set of state fixed effects. All controls are entered directly and interacted with the occupation indicator.

Table OA5. Robustness Tests. Non-Occupied Neighbors Samples

	$\Delta \ln$ (Per capita state tax revenues) 1860-1870		$\Delta \ln$ (Per capita state tax revenues) 1870-1890		$\Delta \ln$ (Per capita county tax revenues) 1870-1890		$\Delta \ln$ (Per capita total non-national tax revenues) 1870-1890	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black share ¹⁸⁶⁰	0.814	0.852	-0.935	-0.933	-1.460	-1.410	-1.235	-1.200
\times Occupation indicator	(0.234)	(0.234)	(0.292)	(0.306)	(0.448)	(0.439)	(0.359)	(0.373)
<i>Additional Controls</i>								
	no	yes	no	yes	no	yes	no	yes
Observations	305	283	315	290	315	290	315	290
<i>R</i> -squared	0.646	0.646	0.538	0.537	0.560	0.574	0.608	0.618

Notes: Sample in all models exclude counties having at least one adjacent occupied neighbor. Robust standard errors reported in parenthesis. Baseline controls and 1870 income controls are defined as before. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

Table O.A6. Robustness Tests. Weighted Specifications

	$\Delta \ln$ (Per capita state tax revenues) 1860-1870		$\Delta \ln$ (Per capita state tax revenues) 1870-1890		$\Delta \ln$ (Per capita county tax revenues) 1870-1890		$\Delta \ln$ (Per capita total non-national tax revenues) 1870-1890	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black share ¹⁸⁶⁰	0.420	0.448	-0.493	-0.495	-0.993	-0.883	-0.659	-0.587
\times Occupation indicator	(0.190)	(0.197)	(0.251)	(0.259)	(0.361)	(0.358)	(0.303)	(0.315)
<i>Additional Controls</i>	no	yes	no	yes	no	yes	no	yes
Observations	664	613	680	625	679	624	683	627
<i>R</i> -squared	0.642	0.651	0.605	0.602	0.593	0.604	0.621	0.622

Notes: Robust standard errors reported in parenthesis. Baseline controls and 1870 income controls are defined as before. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

Table OA7. Robustness Tests. Sample with Urban Counties

	$\Delta \ln$ (Per capita state tax revenues) 1860-1870		$\Delta \ln$ (Per capita state tax revenues) 1870-1890		$\Delta \ln$ (Per capita county tax revenues) 1870-1890		$\Delta \ln$ (Per capita total non-national tax revenues) 1870-1890	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black share ¹⁸⁶⁰	0.509	0.557	-0.530	-0.536	-0.880	-0.783	-0.683	-0.619
\times Occupation indicator	(0.184)	(0.192)	(0.247)	(0.254)	(0.379)	(0.376)	(0.304)	(0.316)
<i>Additional Controls</i>	no	yes	no	yes	no	yes	no	yes
Observations	678	627	692	637	691	636	695	639
<i>R</i> -squared	0.634	0.643	0.617	0.613	0.592	0.603	0.630	0.630

Notes: Robust standard errors reported in parenthesis. Baseline controls and 1870 income controls are defined as before. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

Table O.A8. Robustness Tests. Per-white Tax Revenues

	$\Delta \ln$ (Per-white state tax revenues) 1860-1870	$\Delta \ln$ (Per-white state tax revenues) 1870-1890	$\Delta \ln$ (Per-white county tax revenues) 1870-1890	$\Delta \ln$ (Per-white non-national tax revenues) 1870-1890	$\Delta \ln$ (Per-white total tax revenues) 1860-1890			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black share ₁₈₆₀	0.545	0.546	-0.497	-0.505	-0.984	-0.901	-0.666	-0.606
\times Occupation indicator	(0.196)	(0.208)	(0.259)	(0.267)	(0.368)	(0.370)	(0.311)	(0.324)
<i>Baseline Controls</i>	yes	yes	yes	yes	yes	yes	yes	yes
<i>1870 Income Controls</i>	no	yes	no	yes	no	yes	no	yes
Observations	664	613	680	625	679	624	683	627
<i>R-squared</i>	0.640	0.647	0.588	0.586	0.576	0.587	0.599	0.602

Notes: Robust standard errors reported in parenthesis. Baseline controls and 1870 income controls are defined as before. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

Table OA9. Robustness Tests. Per-1860 Voter Tax Revenues

	$\Delta \ln$ (Per-1860 voter state tax revenues) 1860-1870		$\Delta \ln$ (Per-1860 voter state tax revenues) 1860-1870		$\Delta \ln$ (Per-1860 voter county tax revenues) 1870-1890		$\Delta \ln$ (Per-1860 voter total n-n tax revenues) 1870-1890	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Black share ₁₈₆₀	0.377	0.474	-0.723	-0.820	-1.249	-1.182	-0.934	-0.926
\times Occupation indicator	(0.220)	(0.219)	(0.346)	(0.369)	(0.440)	(0.454)	(0.414)	(0.440)
<i>Baseline Controls</i>	yes	yes	yes	yes	yes	yes	yes	yes
<i>1870 Income Controls</i>	no	yes	no	yes	no	yes	no	yes
Observations	661	611	673	622	672	621	676	624
<i>R-squared</i>	0.605	0.622	0.638	0.632	0.641	0.646	0.646	0.641

Notes: Robust standard errors reported in parenthesis. Baseline controls and 1870 income controls are defined as before. All controls are entered directly and interacted with the occupation indicator. All models include state fixed effects.

Table OA10. Robustness Tests. Political Violence, 1866-1871

	(1)	(2)	(3)	(4)	(5)	(6)
Occupation indicator $t+t$	-0.028 (0.034)	0.026 (0.033)	0.039 (0.035)			
Departure indicator t				0.169 (0.060)	0.122 (0.065)	0.267 (0.263)
Country FE	yes	yes	yes	yes	yes	yes
Year FE	no	yes	yes	yes	yes	yes
1860 Controls \times Year FE	no	no	yes	yes	no	yes
Observations	1,961	1,961	1,806	267	267	251
R -squared	0.001	0.058	0.085	0.084	0.107	0.130
Number of clusters (countries)	332	332	306	119	119	112

Notes: Robust standard errors clustered by county reported in parenthesis. 1860 controls include county black share, (ln) total county population and (ln) real value per capita of farms. These controls are interacted with the year dummies. All models include a full set of county fixed effects. Models in columns 1-3 use a forward indicator for occupation, models in 4-6 use a dummy for occupied counties at time $t-1$ and in which troops departed the following year, zero otherwise.