Human Capital and Growth in the Post-Bellum South:
A Separate but Unequal Story *

Michelle P. Connolly†

Department of Economics
Duke University

January 14, 2003

Abstract:

This paper tests the importance of human capital in explaining convergence across states of the United States from 1880 to 1950. Human capital levels matter not only to a state’s income level but also to its growth rate through technological diffusion. There is a unique pattern in the South, whose overwhelmingly agricultural society relied more heavily on work experience than formal education, and whose racial discrimination in school resource allocation played a crucial role in lowering human capital accumulation of both blacks and whites. The South’s low overall human capital levels immediately after the Civil War, combined with its active resistance in the Post-Bellum period to educating its population, played an important role in reducing the speed of Southern conditional convergence toward the rest of the nation after the Civil War.

JEL Classification: I20, N11, N12, N31, N32, O11, O15, O18, O47, R11

Keywords: Human Capital, Economic Growth, Convergence, Regional Analysis, U.S. Economic History, Southern U.S. Economic History, Racial Discrimination

*I thank Erica Groshen, Vassilis Hajivassiliou, James Harrigan, Sebnem Kalemli-Ozcan, Thomas Meyer, Carol Osler, Gabriel Perez-Quiros, Xavier Sala-i-Martin, David Weiman, Kirk White, Jeffrey Williamon, Eric van Wincoop, Gavin Wright, Kei-Mu Yi, and two anonymous referees for valuable comments. Sairah Burki, Joseph Davis, III and Jenessa Gunther provided valuable research assistance. I remain responsible for any errors.

†Address: Department of Economics, 305 Social Sciences, Box 90097, Duke University, Durham, NC 27708; Phone: (919) 660-1819; Fax: (919) 684-8974; Email: connolly@econ.duke.edu