ABSTRACT

"Do Black Politicians Matter?"

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Despite wide-held beliefs about candidate race affecting policy, little empirical work has attempted to estimate the causal influence of policymaker race on outcomes. This study exploits the unique history of Reconstruction after the American Civil War to estimate the causal effect of politician race on public finance. Drawing on an extensive review of the historical literature, I overcome the endogeneity between black political leadership and local political preferences, demographics, economic conditions, and political competition using the number of free blacks in the antebellum era (1860) as an instrumental variable (IV) for black political leaders during Reconstruction (1867–1877). While the instrument is well correlated with the number of black officials, I show that it is not related to electoral outcomes during Reconstruction, the tenure of black elected officials, nor political competition and voter education campaigns during the Reconstruction era. IV estimates show that a one standard deviation increase in the number of black officials in a Southern county increased per capita county tax revenue by 0.62 standard deviations, a sizable effect. At the end of Reconstruction, however, the effect of black politicians entirely reverses—the same increase (which, after Reconstruction, is a decrease) in black politicians decreases per capita county tax revenue (1880–1870) by 0.86 standard deviations. I also show that the effect is concentrated in legislative officials, those holding executive nor judicial appointments have no significant effects on revenues, consistent with rules of taxing authority by branch of government. Finally, I investigate whether the results are consistent with the narrative history of the effect of black political leadership during Reconstruction, where black officials favored higher taxes to establish public education and initiate land reform. I find no effects of black politicians on land redistribution. Estimates show that exposure to black politicians during school age increased black literacy more than 6% and decreased the black-white literacy gap by more than 7%.