

## *Abstracts of Posters Presented at the Annual Meeting*

### *Wages, Social Insurance, and Truncated Benefits: Measuring the Impacts of Workers' Compensation*

This study addresses the indirect impacts of state-mandated benefits on workers' wages. I explore the magnitudes of compensating wage differentials between 1940 and 1990 for selected dangerous occupations. The benefit structure of workers' compensation causes a fundamental estimation problem. I develop a new strategy to reduce biases inherent in earlier models. Individual-level data are utilized to exploit benefit variation both across states and over time. The choice of "benefit" variable may have caused previous studies to overstate the influence of benefits on wages. The results suggest wage offsets are not constant across time and may vary based on workers' wage levels.

SAMUEL ALLEN, *University of Arizona*

### *Educational Disparity in Pakistan, 1947–1971*

Using time-series data, this paper documents the regional divide in educational facilities between East Pakistan (now Bangladesh) and West Pakistan, 1947–1971. During this period, the number of primary schools in East Pakistan declined, leading to overcrowding of existing schools and classrooms. Despite being endowed with fewer schools, West Pakistan surpassed East Pakistan in the number of primary schools, and in teacher-student ratios. This evident educational disparity cannot be attributed to regional differences in school-aged population, school type, and unit costs of schooling. Rather, this problem is examined in terms of the hypothesis of "discrimination" as an alternate explanation.

MOHAMMED NIAZ ASADULLAH, *Stockholm School of Economics*

### *The Power of the Pill Revisited: An Analysis of Women's Labor Market Outcomes and Contraceptive Freedom*

Labor force outcomes among U.S. women of childbearing age changed dramatically following the FDA's 1960 approval of the first birth control pill. Building on work by Goldin and Katz (2002), this paper argues that access to the "pill" transformed women's labor-supply and wage profiles. I use the 1963–2001 March Supplements to the CPS in conjunction with detailed information on the timing of legal change to show that access is related to both higher labor-force participation and wages among white women. However, the effects of the pill appear to have been much smaller or negligible among racial minorities.

MARTHA BAILEY, *Vanderbilt University*

### *Multiple Currency Circulation in Postunification Italy: The Effects of the Monetary Unification on the Former Kingdom of the Two Sicilies, 1861–1883*

Prior to its political unification in 1861, the Italian peninsula was divided into several states with different political and social structures. With the unification a new national currency was issued, however, the local pre-unitary currencies continued to circulate for several years. In the former Kingdom of the Two Sicilies the silver ducats and bank notes denominated in ducats circulated until 1883. We reconstruct economic and financial time-series data, explore the mechanisms of the circulation of the ducat and analyze how it was affected by the economic and historical events that took place in the two decades after the unification.

PIA DI GIROLAMO, *Purdue University*

*Management Structure and Bank Performance: Empirical Examination of the Chinese Banking Industry*

This paper investigates the relationship between bank performance and management structure in Shanghai between 1912 and 1937. The data come from Shanghai's Municipal Archives and the Center for Research of Chinese Business History. The fixed-effects method finds that the level of managerial ownership did not determine performance. Rather, factors such as bank asset quality and the education of managers did. The results have policy implications for bank reform in China today.

CHING-YI CHUNG, *University of California, Irvine*

*The Probability of Corporate Political Action: Developing a Framework for Historical Analysis*

Seeking rents via governmental public good production is often seen as a complement for competitive moves in certain situations. We present a quantitative and qualitative framework integrating theoretical perspectives from strategic management, public good research, and new institutional economics to analyze the probability of corporate political action. Our model is based on the idea that firms' political behavior is contingent on intra-organizational, intra-industry, and interindustry variables. We propose that different institutional environments and different phases of industry life cycle influence and are influenced by business organizations' political activities. Furthermore, the business-government relations are considered dynamic and path dependent in the model.

JARI ELORANTA, *University of Warwick*

*The Flip Side of the Five-Dollar Day: Managerial Compensation in Ford Motor Company*

A recent literature on CEOs and other top management has analyzed their compensation in terms of incentive effects and growing inequality. In this paper, we focus on a earlier period when the modern occupation of manager was taking shape. Using a unique dataset on the salaries and bonuses of managers at Ford Motor Company from 1920 to 1940, we examine the determinant of managerial compensation and the degree of inequality both within and between occupations. The data show strong evidence of internal labor markets for managers. By comparing the compensation of managers to blue-collar wages we are also able to analyze changes in inequality over the twentieth century.

CAROLA FRYDMAN, *Harvard University*  
AND RAVEN ELIZABETH SAKS, *Harvard University*

*What Drove Nineteenth-Century Market Integration?*

Building on the insights provided by the contemporary trade literature, in this paper we lay a framework for assessing the evolution of commodity market integration. First, we split commodity market integration into the related, but distinct subprocesses of prices convergence and synchronization and then implement a tractable model of market integration. Surprisingly, institutional and geographic—not technological—variables explain most of the change in price convergence and a sizable portion of the change in synchronization. Finally, we relate our findings to the new literature on trade, growth, and institutions (cf. Acemoglu et al.; and O'Rourke and Williamson).

DAVID S. JACKS, *University of California, Davis*

*Pithole: Examining the Dynamic Inefficiency of the Common*

In 1865, Pithole, Pennsylvania supplied two-thirds of the world's oil. Under the incentives built into the "rule of capture," the race to extract oil as quickly as possible led to the town's two-year massive boom and bust. Wells were exhausted and the landscape devastated. We investigate the losses from this dynamic inefficiency with an optimal control model that compares monopoly ownership and socially optimal extraction rates and associated social welfare to the actual depletion of the resource. We find that stricter property rights would have extended the life of the oil field and increased social welfare several times over.

BROOKS KAISER, *Gettysburg College*, AND STEVEN FISHER, *Gettysburg College*

*Financial Markets and the Depression of 1837 to 1843*

Using a new nineteenth-century financial market database, we investigated the financial market movement of 1837 to 1843. First, a standard multivariate ARCH text shows that debt and equity markets within the United States and debt markets between the United States and Britain were well integrated. Second, while each one of the three macroeconomic crises—1837, 1839, and 1842—left its mark on financial markets, the crisis of 1842 had far larger effects in debt markets than the earlier crises. Third, Temin is right that credit markets tightened after 1839, but not that British markets tightened relative to American markets.

NAMSUK KIM, *University of Maryland*, AND JOHN WALLIS, *University of Maryland*

*Japan's Foreign Trade in the First Stage of Industrialization: The Different Paths of Kobe and Yokohama at the Late Meiji Transition Period*

This paper sheds light on the relatively overlooked role of the trade of Kobe during the years of initial modern economic growth in Japan from 1882 to 1914. The relatively long-term analysis illuminates the process of change in the face of the economic transition brought by the first stages of industrialization. The changes in the trade patterns of Kobe both in terms of commodity composition and trade partners are all the more remarkable when compared with the relatively rigid patterns of the trade of Yokohama. It can be concluded that the two ports represented two contrasting but complementary faces of Japanese industrialization.

ISAAC MARTINS, *Kobe University*

*Wages and Work Relief During the Great Depression*

The New Deal is one of the most significant economic events of the twentieth century. Using a new data set that describes monthly relief spending in cities along with business indicators from this period, this paper examines the relationship between relief spending and the private labor market in the framework of a search model. We find evidence that work relief's effect on private wages depended not simply on the magnitude of spending, but the volatility of the private labor market, the likelihood a job seeker might be able to find work relief, and how much that relief job paid.

TODD C. NEUMANN, *University of Arizona*

*The Afterlife as a Disciplinary Device in Late-Medieval England: A Pious and Profitable Mystery*

In late-medieval England, craft guilds simultaneously pursued piety and profit. Why did guilds pursue those seemingly unrelated goals? What were the consequences of that combination? Theories of organizational behavior answer those questions. Craft guilds combined spiritual and occupational endeavors because the former facilitated the success of the latter and vice versa. The reciprocal nature of this relationship linked the ability of guilds to attain spiritual and occupational goals. This link between religion and economics at the local level connected religious and economic trends in the wider world. A game-theoretic model and archival evidence corroborate this conjecture.

GARY RICHARDSON, *University of California, Irvine*

*A Bootstrap Test of Cross Sectional Structural Change during the U.S. Cotton South Antebellum Era*

This paper establishes the threshold(s) at which U.S. cotton South antebellum farms experienced a regime shift in production technology. The “let the data speak,” a nonsequential technique that simultaneously detects the number and location of the regime changes is used, with the critical value approximated using the bootstrap procedure. For the farms of the U.S. antebellum cotton South, I find evidence for one structural break in the crop production function, as farms switch from using the task system to the gang system. This break occurred when farms owned approximately 15 slaves, matching the “family size” proposed by Phillips (1918) and Fogel and Engerman (1974).

JANE TOMAN, *University of Sydney*

*The Impact of the New Deal on Residential Construction Activity*

Dismal residential construction activity significantly contributed to the onset of the Great Depression in the United States. To stimulate general economic activity numerous federal aid programs were initiated under President Roosevelt’s New Deal agenda. While residential construction was likely to have been affected by New Deal spending, the lack of disaggregated data has thus far prevented an empirical testing of these affects. This paper utilizes recently uncovered data at the city, county, and state level to address this issue. Particular focus is given to the programs administered by the Homeowners Loan Corporation and the Federal Housing Administration.

JARET TREBER, *University of Arizona*

*Cotton Consumption and Mormon Migration, 1850–1880*

Between 1850 and 1880, 60,000 Mormons migrated from England to Utah. This research investigates the relationship between raw cotton consumption in England and annual flows of immigrants, which varied from 178 to 4,616 persons per year. This relationship is motivated by the importance of the cotton textile market in England; for example, the cotton famine occurred in this period. The results show a statistically significant relationship between raw cotton consumption in England and immigration to Utah. Lower cotton consumption is associated with higher immigration flows, even during the Civil War.

HEATHER WYNDER, *Cornell University*

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.