

The south after the civil war



THE SOUTH AFTER THE CIVIL WAR According to figures compiled by Richard Easterlin, the level of per capita income achieved in the south after the civil war remained considerably below than in the rest of the nation as late as 1930. There are several hypotheses that have been suggested to explain the poor economic performance of this region from the Civil war to World War 2. It was only after the great depression of 1929 and the issue of New Deal that the south managed to get somewhat even with rest of the nation.

The basic hypothesis states that the abolition of slavery was the most instrumental aspect of this backwardness. Earlier the south enjoyed a competitive advantage over the rest of the country with the help of slave energy and cultivation of huge plots of land. This measure had dual advantage. Firstly, the wage or cost per labor was considerably low and secondly this cost benefit was ploughed back into the agricultural business by buying large plots of land and cultivating huge area at one time. Thus it is obvious that the yield this way used to be generating formidable surplus out of the business.

Once the civil war was lost and the advantage of slave energy was diminished the landlords or the region found it difficult to adjust with the changed situation of escalated labor cost and in the process they were forced to employ tenants and divide the land into smaller plots. Both these factors diminished returns and this caused the south to face a low per capita income and in the process became the most backward states of the nation. (Kunreuther, 526-51)

However, there are opposing views to this hypothesis. Ransom believed that the main cause of economic degradation was due to the fact there was a substantial amount of racism present in the South even after the Civil War.

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This racism induced low legal and social support for the African American in the region. This syndrome soon culminated into the parameters of under utility of the labor force and that ultimately translated into low production or under production as potential human utilitarian factors were overlooked. This factor soon developed a snowball effect that defoliated the economy and ultimately became the one of the most backward states of the nation.

(Ransom, 649-61)

Another hypothesis states that the economy was devastated due to the demolition of economic infrastructure during the civil war period. Earlier the economy and trade depended on the parameters of business credits provided by the bank. But during the war these processes was interrupted and as always an economic interruption often leads to further chain reactions and this exactly happen in the south after the civil war. The chain of credit cycle was broken and the entire economic formulation that was operational before the war was completely disintegrated. (Higgs, 468-82)

These entire hypotheses were instrumental in the disintegration of the southern economy and it would be logical to believe that not one single cause was instrumental enough. Rather all these hypothesis was working simultaneously to cause the economic backwardness in the south.

Works Cited:

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