Ethan Schmick – Research Statement

I am an applied microeconomist whose research draws primarily on historical settings to inform economic theory and public policy. My research endeavors to provide answers to long-standing questions in labor, public, and development economics. To achieve identification, I draw on unique insights and observations from history. The next three paragraphs describe the three chapters of my dissertation. I conclude by discussing my future research agenda.

In my job market paper, “Collective Action and the Origins of the American Labor Movement”, I study the development of unions and strikes in the late nineteenth and early twentieth centuries. In the spirit of Olson (1965), I build and test a model of labor union formation and activity, and suggest that industrial structure (particularly firm size) helps to explain variation in union strength and strike activity in the late-nineteenth and early-twentieth centuries. To perform the empirical analysis I collect a new county-by-industry level dataset on the location of unions, the location of strikes, and average firm size. I achieve identification by exploiting within-county, inter-industry variation in firm size to control for all unobserved county and industry level heterogeneity. The model and the empirical results indicate that there is a hump-shaped relationship between group size and collective action. Workers in small and large firms are less likely to form a union and go on strike than workers in intermediate sized firms. This relationship exists due to the fact that unions bargain over benefits that have both public and private characteristics. Because of differences in firm size between the United States and Europe this paper has implications for one of the most enduring and contentious questions in the social sciences: why is the American labor movement so weak relative to other countries?

In the second chapter of my dissertation, “The Rise and Fall of Pellagra in the American South” (co-authored with Karen Clay and Werner Troesken), we study the development of Southern cash cropping and address another enduring question in economic history and development: does cash cropping, and the commercialization of agriculture more generally, adversely affect nutrition? This question has taken on heightened significance in light of recent trends in globalization and trade liberalization. We use pellagra, a disease caused by a niacin deficiency, to study the impact of cash cropping on nutrition. Our work shows that cash cropping can displace local food production and set in-motion nutritional deficits that have long-term consequences not only for health but also for socioeconomic status. In terms of identification, we rely heavily on the arrival and recession of the boll weevil. The boll weevil destroyed cotton crops and simultaneously lowered the income of farmers. We show that farmers switched from producing cotton to producing a variety of local food crops. As a result, the arrival of the boll weevil is associated with a significant decrease in the pellagra death rate and a significant increase in the heights and incomes of individuals born immediately after its arrival.

In the final chapter of my dissertation, “The Relationship between Schooling Inputs and Schooling Outcomes in Early Twentieth Century America” (co-authored with Allison Shertzer; the version on my website and CV has a different title), we study the development of public education in the United States and address a controversial question in labor and education economics: do school resources improve educational and labor market outcomes? We exploit the first large expansion in school resources, which occurred between 1900 and 1930, when
expenditures per student almost doubled, student-teacher ratios decreased by 20% and teacher salaries increased by a third. We find that increased school resources led to higher test scores and increased educational attainment for World War II army recruits. We also find that additional school resources led to increased literacy and English-speaking among low socioeconomic status immigrants. To achieve identification we use a shock to schooling expenditures that resulted from anti-immigrant sentiment during World War I. As this work proceeds we plan to study the effects of school resources during this time period on economic outcomes.

In the future, I will continue using history to identify and answer long-standing questions in economics and the social sciences. In a project with Werner Troesken we plan to study the connection between religious fundamentalism and economic development by using a rich source of data on the location of religious revivals and subsequent changes in religious affiliation. In work with Brian Beach, we study the development of pasteurized milk and its distribution to low socioeconomic status mothers through milk stations. An intensity-of-treatment design based on the distance from a child’s home to a milk station allows us to estimate the impact of clean milk on economic productivity later in life. In independent work, I examine the impacts of labor union representation on economic outcomes. Drawing on inspiration from my job market paper, I instrument for whether a county had a union in the early twentieth century using firm size. I then examine the impact of these early labor unions on the economic outcomes of workers from 1940-1990. Finally, I plan to study the political economy of imperialism by using data sources that allow me to identify the gains and losses from colonization and decolonization.