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ECON 454

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***Research Question***

My research question for the final project will be: **what was the impact of the political risk of the abolition of slavery on the behavior of plantation owners in the Antebellum South[[1]](#footnote-1)?** To be specific, I hope to investigate how the political risk of slavery influenced the agricultural output and the number of slaves, owned, bought, and sold by plantations.

My research question currently fits the style of type 3. The 1800s witnessed a transition in public opinion and, consequentially, legality, with respect to slavery. However, the economy of the American South was resistant to this change due to the prominence of plantations, and their economic dependence on slavery. The abolition of slavery was a significant political threat to plantation owners. Firms usually respond to political threats by anticipating the likelihood and impact of the potential changes. I hope to study the nature and rationale of the changes firms make. By doing so, I hope to contribute to the extensive pre-existing literature on political risk.

In addition to being cruel and inhumane, slavery in the Antebellum South depressed wages and stunted the region’s economic development. However, the level of economic dependence on slavery, in addition to the predominantly white voting base’s racist tendencies, led to further entrenchment. Similar arguments of economic dependence are frequently made against other progressive political reforms. Studying how firms choose to hedge or leverage their position in the face of political risk can help inform how progressive policies can be implemented while minimizing economic disruption.

1. The Antebellum South, for the purposes of my study, is defined as the region encompassing the following states between 1850 and 1860: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas, Virginia, West Virginia. [↑](#footnote-ref-1)