Wealth Inequality in Barbados After Emancipation (1851–1911)

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Motivation

Emancipation of slaves in the Caribbean (British West Indies) started in 1833 (Slavery Abolition Act 1833) and came into full force in 1838.

The hope was that emancipation from slavery would mean freedom from violence and oppression and opportunities to improve their socio-economic conditions:

- Paid job (partially or entirely provided by the plantation owners)
- Freehold
- Business or farm of their own

Question

- Did the plantation owners (the "*elite*" of the island) adjust?
- Were the Blacks and mixed background able to accumulate wealth after emancipation?
  - What was the evolution of wealth inequality over time?
  - Was there convergence?

What we do

- Barbados is a compelling case of transitioning from a *slave society* to a liberal democracy during the 19th and 20th centuries.

- During this time, Barbados underwent a significant socioeconomic transformation due to the drastic reallocation of wealth with the end of slavery and plantations.

- Even though Barbados was nominally a democracy throughout this period, the right to vote was given to a very narrow part of the society; the wealth requirement to be eligible to vote was high enough so that in practice excluded most of Black Barbadians.

What we do

- Goal: Explore how wealth inequality evolved in Barbados post-Emancipation.
- Use archival data from Parochial Tax records (Levy Books) to approximate wealth distributions over time.

Key result

- We find that for 70 years after Emancipation, wealth inequality in Barbados was persistently very high.
- This finding is perhaps unexpected—such a dramatic change in institutions and society ought to reduce inequality.

Related Literature

- Inequality and institutions are interrelated, e.g. Acemoglu and Robinson, "Why Nations Fail", (2012)
- land inequality and institutions: e.g. Galor et al. (2005 & 2008), Ziblatt, 2008), (Montalbo, 2023).
- US data: The evolution of wealth disparities between the Black minority and the rest shows convergence (see e.g. Fochesato and Bowles, 2017, and Derencocourt et al. 2022).
- Island of St. Croix (Caribbean): no decrease in inequality following the institutional break of emancipation, 1830-1870 (Theodoridis et al, 2024).
- Jamaica: shows convergence (Broom, 1954).

Data and Methodology

- Source: Levy Books (1843–1959): Taxes on rents, land, buildings. We focus on the Parish of St. Michael (Bridgetown), 1851–1911.
- The taxes are proportional to the value of the land or building, they are a *proxy* for wealth. Note that we assigned zero wealth to the people who were renting a building as a residence.
- Non-digitized records manually collected (the Archives do not allow scanning i.e. data collection is time consuming).
- Sample: Surnames starting with A and B for selected years.

Limitations

- Missing demographic data.
- Thus, ethnicity proxied by large landownership.
- Partial parish and year coverage.

Limitations

Metrics used

- Gini Coefficient: Measures inequality (0 = equality, 1 = inequality).
- Top 10% Wealth Share: Proxy for racial wealth divide.
- Wealth ratios: Landowners vs. others; Planters vs. others.

Results

	1851	1877	1891	1901	1911
Gini Wealth	0.67	0.73	0.76	0.74	0.73
Top 10% wealth share	49.7%	58.5%	59.9%	59.8%	61.2%
Land inequality (Gini)	n.a.	0.98	n.a.	0.99	0.98
$\frac{W_{planters}}{W_{others}}$	n.a	8.05	n.a	15.95	41.78
$\frac{W_{landowners}}{W_{others}}$	n.a	2.90	n.a	4.43	4.23
Gini among landowners ($>$1 acre)	n.a	0.79	n.a	0.81	0.86
Gini among planters ($>$10 acres)	n.a	0.54	n.a	0.57	0.39
Observations (households)	281	452	813	1,205	1,105

Results

- Gini and top 10% wealth share both high and relatively stable or increasing over time.
- Land Gini close to 1 throughout –> extreme inequality.
- Number of plantations fell, average size increased.
- Planters' wealth concentration increased –> explained by consolidation & sugar market crisis.
- Gini among planters fell, landowners rose –> fewer, richer elites.

Remittances and stability

- Despite planter concentration, overall inequality stable after 1877.
- Remittances from Panama Canal migrant workers may explain this.
- ~40,000 Barbadians migrated; many returned with wealth.

Comparative perspective of "Anglosaxon" countries

- **US**: Blacks were the minority, access to land was restricted, freedom of movement and chase for better opportunities, evidence of convergence (hockey stick) (Fochesato and Bowles, 2017, Derencocourt et al., 2022)

- **Jamaica**: Peasant land available (Crown Lands), high absenteeism (more than 90%) (Broom 1954), by 1943, 97.8% of all total farm operators were Blacks or Coloreds. Only 5% were running plantations over 100 acres.

Institutional Barriers in Barbados

- 81% of land under plantations, no program for land redistribution, while the planters refused to provide land for sale to workers as policy.
- Modified Contract Law –> Tenantry system.
- Restrictions on migration and land sales.
- High planter residency (low absenteeism)–>more involved into politics.

Conclusion

- Extreme wealth inequality persisted long after Emancipation.
- Structural change $\neq$ wealth redistribution.
- Institutions adapted to preserve elite power.
- Supports Acemoglu & Robinson's theory of persistent extractive institutions.
- Since, the elites (in Barbados the plantation owners) were not stripped from their land holdings i.e. their source of "power", they managed to find ways to keep in place the same extractive institutions.

Next steps

- We would like to extend the sample to other Parishes (after the late 1800s) to have the whole picture until 1959 (just some years before independence). Unfortunately, we didn't manage to find funding.

- A model? Something along the lines of occupational choice but with barriers (class society).