

**Roger L. Ransom, Richard Sutch.** *One Kind of Freedom: The Economic Consequences of Emancipation*. Second edition. New York: Cambridge University Press, 2001. xxviii + 458 pp. \$85.00, cloth, ISBN 978-0-521-79169-4.



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**Published on** H-South (September, 2002)

*One Kind of Freedom* : Reconstructed and Reconsidered

When it was first published in 1977, *One Kind of Freedom* (or *1KF*, as the popular shorthand has it) constituted a relatively late entry to the corpus of the "new economic history," whose adherents were prone to issuing solemn pronuncimientos regarding the impending "cliometric revolution" in historical studies. In retrospect, its practitioners' occasional hubris ironically may have helped provide fodder for a more durable counterrevolution of sorts, the one fomented by "new social historians" during the 1970s. In southern history, nowhere was this more the case than in the politically charged and often shrill polemics of the *Time on the Cross* controversy a few years prior to *One Kind of Freedom*'s release.[1] In this imbroglio, Robert W. Fogel and Stanley L. Engerman's conceptually flawed analysis of slavery as a viable, efficient economic system served as intellectual roughage for a generation that at times seemed more concerned with moral slam-dunks than with promoting fair and accurate scholarly debate. By the time *One Kind of Freedom* ap-

peared, the new economic history was thus widely viewed as something of a straw man, an already vanquished and slightly ridiculous opponent, by the ascendant mainstream of the profession.

This historiographical context helps explain the relatively quiet and even respectful reception that *One Kind of Freedom* was accorded in the late 1970s, but only in part. More substantively, the argument of *One Kind of Freedom* was on the surface quite commensurate with the drift of the new social history. Its overall thrust was that the long-term persistence of African American (and, by extension, regional) poverty was a result of the perverse economic effects of white racism. In particular, Ransom and Sutch's analysis of credit mechanisms and the furnishing merchant tended to lend support to the description of sharecropper "peonage" in the works of then-young historians like Pete Daniel, William Cohen, and Jonathan Wiener.

Helped by its not-inconsiderable virtues of being clearly written and closely reasoned, *One Kind of Freedom* has thereby enjoyed a fairly privileged position in the historiography regarding the

postbellum southern economy for over a generation now. It also remains a perennial staple of graduate student reading lists in southern history. To be sure, objections have been raised to various aspects of *One Kind of Freedom* over the years, but the book has always seemed to display a rather Teflon quality that has helped it to endure against attacks. However, Ransom and Sutch's insistence on characterizing southern sharecropping as a form of farm tenancy has put their work increasingly at odds with much of the scholarly literature over the last two decades that views cropping as part of an emergent free labor system for the region.

So when a second edition was announced, the interest of many was piqued to see how Ransom and Sutch might alter their views on "the economic consequences of emancipation," given the passage of two decades in which to absorb and reflect on criticisms. Indeed, a symposium was organized well in advance of the new edition's publication, held at Lehigh University in 1999.[2] For those of us who did not attend this symposium, however, it came as a bit of a surprise to discover--nearly two years later, when the book was finally released--that the new edition of *One Kind of Freedom* contains very little that is, on the face of it, "new." There is a new five-page preface, a new twenty-nine-page epilogue, and an updated bibliography of relevant works in the field. But the text of the original book is completely unchanged; even the pagination remains the same. (The new cover does feature a different painting by the artist Robert Gwathmey, as striking and appropriate as was the last one.)

Ransom and Sutch explain in their new epilogue that "rather than addressing our critics on matters of detail, we feel it would be more useful" to show what "we [can] do today that we could not do twenty-five years ago" (p. 317). Essentially, they have gone back to their original data sets--first collected in the days of bulky mainframes and punch cards--cleaned them up, and converted

them into formats manipulable on PCs (a CD-ROM containing the revised data is supposedly available, but unfortunately it does not accompany the book).[3] They also expanded their revised data set beyond their original focus on the "Cotton South" to identify "peripheral" southern regions that were more or less devoted to cotton production: a "Cotton Penumbra," "mixed farming," and "general farming" areas, for example.

In the new epilogue, they subject this data to some limited re-analysis, mostly on questions that they thought especially important; for example, the cotton-corn mix and its contribution to what they call the "lock-in mechanism" of cotton overproduction. More extensive analysis of these peripheral regions might have helped to widen the context of their original study, which focused on the former slave-plantation Black Belt and thus admittedly neglected the somewhat different (if no less disastrous) experience of the upcountry white yeomanry after the war.

As Ransom and Sutch sum it up, since their "overall assessment of the impact of emancipation" was "not ... greatly altered" (p. 317) by either the cleaned-up, now-easily manipulable data or by their glance at the newly defined "peripheral" regions, they felt no need to revise or expand the original text at all, not even in light of a quarter-century of respectful criticisms and subsequent scholarship.[4] One might have hoped that they would have revisited the text using their reconfigured data, perhaps using it to expand or refine their analysis at certain key junctures. For example, furnishing merchants' ostensible "territorial monopolies" (chapter 7) and the "debt peonage" (chapter 8) that resulted from them are not re-examined at all, even though Ransom and Sutch admit in the new preface that these topics were the subject of "[m]ost of the controversy relating to the first edition of the book" (p. xx).[5] While it is admittedly not completely unusual for a "new" edition to remain largely unchanged, the relative hoopla surrounding the book in its lengthy pre-re-

lease stages led at least this reader to expect a little more in the way of an updated version that would indeed directly address various critical "matters of detail."

Lest I sound crabby and unforgiving, however, it should be pointed out that cleaning up, reformatting, and adding to the original data sets was clearly an enormous undertaking, even with the help of new technology. Ransom and Sutch should be commended for ensuring that their data set (still surely the largest and widest-ranging one yet collected for postbellum southern economic history) will become readily available for the next generation of scholars to access, amend, and also use as necessary to challenge *One Kind of Freedom's* various unrevised conclusions. In this sense, the new edition represents a generous effort on the part of two scholars who have never been reluctant to engage with other historians, and the CD-ROM of the revised data set—if it ever hits the market—may even be helping supply their critics with future ammunition.

The unrevised central argument of *One Kind of Freedom* was (and is) admirably and succinctly stated up front in the book: "Our thesis is that the lack of progress in the postemancipation era was the consequence of flawed economic institutions erected in the wake of the Confederate defeat" (p. 2). This declared focus on "institutions" remains vital to understanding the argumentative context of the book. Institutions, for Ransom and Sutch, are not merely organizations (like banks) or groups (like furnishing merchants), although both of these come in for critical analysis in *One Kind of Freedom*. But institutions are also the wider formal and informal systems that shape and restrict behavior and decision-making—the law, for example, is an institution. Most importantly in the case of *One Kind of Freedom*, the system of sharecropping is described and contextually analyzed as an evolving economic institution, albeit a profoundly "flawed" one.

Ransom and Sutch's overall approach is derived from the contemporary school of institutional economics, and it is important to understand the distinct status that this school occupies in modern economic theory. [6] Although institutional economics is a diverse school that encompasses a wide variety of thinkers, it tends to be more or less explicitly opposed to the more restrictive market-privileging models of neoclassical economics. At the risk of vast oversimplification, its hallmark as a theory of economic development is an emphasis on process and context. "The fundamental institutionalist position," writes Warren Samuels, is "that the market gives effect to the institutions (or power structure) which form and operate through it." [7] This basic assumption of a broadly conceived, interwoven, and shifting institutional playing field for economic behavior is distinct from both the neoclassical perspective, which insists on the primary importance of the rules of an ahistorical, abstract "free market," and the Marxist view, which tends to view institutions as "superstructural" to the mode of production.

The institutional approach has proven to be especially popular among economic historians. The most prominent current American practitioner of the "new" institutional economics, Douglass C. North (who taught both Ransom and Sutch, and was the former's thesis adviser), declared in his speech accepting the 1993 Nobel Prize for Economics, "Neoclassical theory is simply an inappropriate tool" for historical analysis, because "it is concerned with the operation of markets, not with how markets develop." [8]

On the one hand, therefore, the precepts of institutional economics are quietly contrapuntal to (even as they parallel certain sociological assumptions of) Marxist class analysis; terms such as *proletariat*, *peasantry*, and *bourgeoisie* play little role, if any, in institutional economics generally, or in *One Kind of Freedom* specifically. But on the other hand, and just as importantly, properly situating *One Kind of Freedom's* approach on a

historiographical continuum requires a degree of precision in the other direction: by understanding institutional economics' largely revisionist relationship to neoclassical orthodoxy regarding market economies. It is not accurate to argue, as did Jonathan Wiener in his famous 1979 article on southern "class structure and economic development," that Ransom and Sutch "[start] from neo-classical market theory." Ultimately, Wiener would correctly characterize the conclusions of *One Kind of Freedom* as "occupying a middle ground," but the reason why this should be the case seemed to puzzle and elude him—precisely because he, like others, misconstrued the significance and uniqueness of the school of economic thought from which Ransom and Sutch drew their initial assumptions, methods, and ways of framing questions.[9]

One of the probable reasons for the long-term durability of *One Kind of Freedom* is because of this "middle ground" that it occupies between true neoclassicists (like Robert Higgs and Stephen DeCanio) and neo-Marxists (like Jonathan Wiener and Harold D. Woodman). The institutional approach employed by Ransom and Sutch allows them to maintain much of the methodological rigor of mathematically inclined economics, yet its built-in emphasis on historical context and development leaves room for the acknowledgment and incorporation of so-called "exogenous" factors—like racism, political power, and even class structure—that neoclassical economists are prone to underestimate or ignore (perhaps largely because such factors are so resistant to quantification). Indeed, from the standpoint of its insistence on the influence of structural and other "exogenous" factors; its relative attention to contingency and unanticipated consequences in social settings; and its lack of faith in the behavioral underpinnings of neoclassicism (particularly the necessary assumption of rationality among actors in a free-market setting), institutional economics looks a lot more like the sort of objective, multicausal, and rather skeptical form of inductive inquiry that

most non-economist historians tend to associate with their craft. Indeed, Ransom and Sutch's institutional approach might be said to represent an economic form of what has been called "moderate historicism," a characterization which also serves to underscore the lengthy intellectual kinship between institutional economics and American pragmatism.[10]

Ransom and Sutch's conclusions, which bluntly condemn "flawed economic institutions" and their long-term effects, certainly are quite distinct from those mainstream neoclassicists who see southern sharecropping not as an exploitative and markedly inefficient system but as—to use one memorable phrase -- "an understandable market response." [11] From the standpoint of some of their critics on the historiographical left, however, Ransom and Sutch did not go far enough in their critique to merit full distinction from the neoclassicists. Why is this the case?

It is not merely that Ransom and Sutch fail to speak the patois of class analysis. It is more that, to their critics, the very notion of a "flawed" system is taken to assume the sort of normative "free market" associated with neoclassical theory. Ransom and Sutch, in this view, are more offended by perversions of free-market mechanisms such as territorial monopolies than they are by the qualitative injustices of the system they are analyzing. But Ransom and Sutch's methodology attempted to "measure" injustice in an economic setting while allowing for the significant effects of cultural and political factors, particularly racism. Even if this nearly Sisyphean task is attempted in part by comparing what we know about southern sharecropping to abstract models of "perfect" market behavior that rarely (if ever) exists in reality, that does not necessarily either obviate their methods or their conclusions. Certainly their fondness for number-crunching should not justify placing them, ipso facto, in the company of those neoclassicists with whom their conclusions are in such obvious disagreement.

It must be admitted that many "pure" historians may not be overly impressed by the distinctions between the institutionalist or neoclassicist schools: "An economist is an economist is an economist," they might cynically huff. Southernists, however, would do well to heed another telling example of the difference between Ransom and Sutch and those who tend to slot *One Kind of Freedom* in the neoclassicist camp. The dispute centers around whether sharecroppers should be regarded as tenant farmers who paid half of their production to a landlord as rent (Ransom and Sutch's position), or whether they were wage workers who received half of the crop as compensation (an argument most compellingly articulated in the work of Harold Woodman).[12]

Whichever stance one adopts, the choice is not a random "half-empty/half-full" semantic generalization that makes little or no ultimate difference. Ransom and Sutch's characterization of croppers-as-tenants reinforces the now-passé "peonage" interpretation advanced by the new social historians of the 1970s. It implies a view of the New South as an atavistic society that would be long encumbered by the cultural, political, and economic legacy of a centuries-long racially-based slave mode of production. But scholarship over the last two decades has clearly drifted in a different direction. Rather than quasi-peonage or even neo-paternalism, current conventional wisdom regards the economy and social relations of the New South as merely one moderately-peculiar exploitative form among the many possible on the world-capitalist developmental arc from the late nineteenth century forward. And the "croppers-as-wage-workers" view provides the "evolving bourgeois society" of the post-Civil War South with what this view logically (or, dialectically) seems to call for--a "rural proletariat." [13]

I will not delve into what I see as the weaknesses of this emergent historiographical consensus in this review, but clearly such disputes over the fundamental nature of southern sharecrop-

ping --and, by implication, the entire postbellum South--are of profound importance, and they deserve closer evaluation even by non-economic historians, many of whom often casually adopt aspects of the "New [Capitalist] South" interpretation without careful consideration of the assumptions on which they apparently rest. Interestingly, particularly in light of the criticisms of *One Kind of Freedom* as beholden to neoclassical theory, the notion of a somewhat inexorable movement of the postemancipation South toward deeply imbricated capitalist social relations, especially as a result of changes in labor organization, actually seems far more redolent of a neoclassical sense of "free market" development and primacy than does Ransom and Sutch's insistence on the causal priority of "flawed institutions."

It is a shame that Ransom and Sutch did not enter into this fray with their second edition of *One Kind of Freedom*. In the original, still-unrevised text of the book, the two economically trained historians work from within a social-scientific discursive tradition that circumvents rather than directly addresses such fundamental differences between them and more Marxist-influenced interpretations. And, as previously mentioned, they consciously chose not to address these and other critics on more specific "matters of detail" in their new edition. Nevertheless, despite its somewhat anomalous historiographic status--still very well regarded by most historians, yet in several respects clearly out of step with currently fashionable understandings of the postbellum South--*One Kind of Freedom* is likely to remain what it has been for a quarter-century now: the single best introduction to the economy of the early postemancipation South.

#### Notes

[1]. Robert W. Fogel and Stanley L. Engerman, *Time on the Cross: The Economics of American Negro Slavery* (Boston: Little, Brown, and Company, 1974). For criticisms of Fogel and Engerman's work see, for example, Herbert G. Gutman, *Slav-*

ery and the Numbers Game: A Critique of Time on the Cross (Urbana: University of Illinois University press, 1975); and Paul A. David, et al, *Reckoning with Slavery: A Critical Study in the Quantitative History of American Negro Slavery* (New York: Oxford University Press, 1976).

[2]. The results of this symposium were published as the January 2001 issue of *Explorations in Economic History*, which is essential supplementary reading to the new edition of *One Kind of Freedom*. (For reasons unknown, even the published symposium beat the book into print by nearly a year.) It features brief contributions by Gavin Wright, Peter A. Coclanis, Harold D. Woodman, and Stanley Engerman, as well as a piece by Ransom and Sutch, "One Kind of Freedom Reconsidered (and Turbo Charged)" (pp. 6-39) that is as lengthy and illuminating as anything new in the second edition of *One Kind of Freedom*.

[3]. Note 4 of the epilogue to the second edition states that "a CD Rom with this data in several formats is available from Cambridge University Press," (p. 417) and several people who attended the Lehigh symposium told me they had copies of it in their possession. Despite my efforts, however, Cambridge University Press has as yet been unwilling to divulge the existence, impending or otherwise, of this CD-ROM.

[4]. For an early volume of criticism devoted to *One Kind of Freedom* see Gary M. Walton and James F. Shepherd, eds., *Market Institutions and Economic Change in the New South, 1865-1900* (New York: Academic Press, 1981).

[5]. See several of the essays in Walton and Shepherd; and also, more recently, Louis M. Kyriakoudes, "Lower-Order Urbanization and Territorial Monopoly in the Southern Furnishing Trade: Alabama, 1871-1890, *Social Science History* 26 (Spring 2002), 179-98.

[6]. For the background and significance of institutional economics see Charles J. Whalen, "The Institutional Approach to Political Economy," in *Beyond Neoclassical Economics: Heterodox Ap-*

*proaches to Economic Theory*, Fred E. Foldvary, ed. (Brookfield, Vt.: Edward Elgar, 1996), 83-99. See also Eric Hobsbawm, "Historians and Economists: I," in Hobsbawm, *On History* (London: Weidenfeld & Nicolson, 1997), pp. 98-105, in which he astutely traces the genesis of the institutionalist reaction against neoclassicism to the "now largely forgotten" *Methodenstreit* of the 1880s, a seminal debate over "the value of inductive and deductive methods" in history and economics (p. 99).

[7]. Warren J. Samuels, ed., *Institutional Economics*, 3 vols. (Brookfield, Vt.: Edward Elgar, 1988), I, p. 3.

[8]. North quoted in Robert William Fogel, "Douglass C. North and Economic Theory," which is included in the festschrift to North, *The Frontiers of the New Institutional Economics*, John N. Drobak and John V. C. Nye, eds. (San Diego: Academic Press, 1997), p. 20. On Ransom and Sutch as North's students see the acknowledgements to *One Kind of Freedom*, p. xxiii. The profound differences between neoclassical and institutional economics in the U.S. are discussed in Yuval P. Yonay, *The Struggle Over the Soul of Economics: Institutional and Neoclassical Economists in America between the Wars* (Princeton: Princeton University Press, 1998); but on the contemporary breadth of the institutionalist school, particularly the split between the "old" and the "new" institutionalism, see Malcolm Rutherford, *Institutions in Economics: The Old and the New Institutionalism* (New York and Cambridge: Cambridge University Press, 1994).

[9]. Wiener, "Class Structure and Economic Development," p. 977 (both quotations). See also Harold D. Woodman, "Sequel to Slavery: The New History Views the Postbellum South," *Journal of Southern History* 43 (November 1977), p. 536: "Ransom and Sutch do not eschew neoclassical economics; on the contrary, it is the theoretical foundation of their work." One of the only scholars to explicitly recognize the heterodox, non-neoclassicist bent of Ransom and Sutch's work is Ed-

ward Royce, *The Origins of Southern Sharecropping* (Philadelphia: Temple University Press, 1993), pp. 7-17, esp. pp. 15-16. Also note the earlier critique of Ransom and Sutch from an explicitly neoclassical standpoint in William W. Brown and Morgan O. Reynolds, "Debt Peonage Re-examined," *Journal of Economic History* 33 (December 1973), pp. 862-71.

[10]. On the relationship between the founders of the "old" institutional economics (like Thorstein Veblen, and Richard T. Ely and John R. Commons [the 'Wisconsin school']), social-democratic theory, and the instrumental form of reason in American pragmatism during the early twentieth century, see James T. Kloppenberg, *Uncertain Victory: Social Democracy and Progressivism in American and European Thought, 1870-1920* (New York and Oxford: Oxford University Press, 1986), pp. 224-46, esp. pp. 241-42, and p. 290; and Daniel T. Rodgers, *Atlantic Crossings: Social Politics in a Progressive Age* (Cambridge and London: Harvard University Press, 1998), pp. 97-111. See also Philip Mirowski, "The Philosophical Bases of Institutional Economics," *Journal of Economic Issues* 21 (September 1987), pp. 1001-38; E. E. Liebhafsky, "The Influence of Charles Sanders Peirce on Institutional Economics," *Journal of Economic Issues* 27 (September 1993), pp. 741-54.

[11]. Joseph D. Reid, "Sharecropping as an Understandable Market Response: The Post-Bellum South," *Journal of Economic History* 33 (March 1973), pp. 106-30. Much of the neoclassical scholarship of the last few decades that has attempted to rehabilitate sharecropping (not just its variant in the U.S. South) as an "efficient" economic practice has been inspired by the work of Steven N. S. Cheung; see his *The Theory of Share Tenancy, with Special Application to Asian Agriculture and the First Phase of Taiwan Land Reform* (Chicago: University of Chicago Press, 1969). For a critique of Cheung see R. Pearce, "Sharecropping: Towards a Marxist View," in *Sharecropping and Sharecroppers*, T. J. Byres, ed. (London: F. Cass, 1983), pp.

48-52; see also how Ransom and Sutch purposely distanced themselves from Cheung and his followers in *One Kind of Freedom*, p. 383 n. 67.

[12]. See esp. Woodman's most recent book, *New South--New Law: The Legal Foundations of Credit and Labor Relations in the Postbellum Agricultural South* (Baton Rouge and London: Louisiana State University Press, 1995), which in many ways synthesizes decades of superb, insightful essays and meticulous research by him.

[13]. For a discussion and critique of this new historiographic consensus, see Alex Lichtenstein, "Proletarians or Peasants?: Sharecroppers and the Politics of Protest in the Rural South, 1880-1940," *Plantation Society in the Americas* 5 (Fall 1998), pp. 297-331; and Scott P. Marler, "The Reconstruction of *One Kind of Freedom*: New Edition, New Thoughts," unpublished paper presented at The Historical Society conference in Atlanta, Georgia, May 17, 2002. For an acknowledgment that the "new capitalist society" of the postbellum South represents recent "conventional wisdom," see John C. Rodrigue, "More Souths?" *Reviews in American History* 30 (March 2002), pp. 66-71.

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**Citation:** Scott P. Marler. Review of Ransom, Roger L.; Sutch, Richard. *One Kind of Freedom: The Economic Consequences of Emancipation*. H-South, H-Net Reviews. September, 2002.

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