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## Working Paper The introduction of serfdom and labour markets

EHES Working Paper, No. 140

**Provided in Cooperation with:** European Historical Economics Society (EHES)

*Suggested Citation:* Jensen, Peter Sandholt; Radu, Cristina Victoria; Severgnini, Battista; Sharp, Paul (2018) : The introduction of serfdom and labour markets, EHES Working Paper, No. 140, European Historical Economics Society (EHES), s.l.

This Version is available at: https://hdl.handle.net/10419/247070

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### Abstract

We provide evidence of how restrictions on labor mobility, such as serfdom and other types of labor coercion, impact labor market outcomes. To do so, we estimate the impact of a large negative shock to labor mobility in the form of the reintroduction of serfdom in Denmark in 1733, which was targeted at limiting the mobility of farmhands. Using a unique data source based on the archives of estates from the eighteenth century, we test whether serfdom affected the wages of farmhands more strongly than other groups in the labor market, and results based on a differences-in-differences approach reveal evidence consistent with a strong negative effect following its introduction. We also investigate whether one mechanism was that boys with rural backgrounds were prevented from taking up apprenticeships in towns, and find suggestive evidence that this was indeed the case. Thus, our results suggest that serfdom was effectively reducing mobility.

JEL Codes: J3, N33, P4 Keywords: Serfdom, labor mobility, coercion

#### Acknowledgements:

We thank Philipp Ager, Jeremy Atack, Karol Borowiecki, Steve Broadberry, Metin Cosgel, Tracy Dennison, Giacomo De Giorgi, Bishnu Gupta, Casper Worm Hansen, Ingrid Henriksen, Alex Klein, Elena Korchmina, Markus Lampe, Lars Lund, Andrei Markevich, Noel Maurer, Jørgen Mikkelsen, Steve Nafziger, Christian Skovsgaard, Nico Voigtländer, Noam Yuchtman, and seminar participants at Copenhagen Business School, University of Ancona, University of Copenhagen, University of Lund, University of Southern Denmark, Vienna University of Economics and Business, the 2017 Economic History Association conference in San Jose, the 2018 American Economic Association conference in Philadelphia, the 2018 CEPR-NYUAD workshop on "Drivers of Economic Divergence: Institutions, Geography, and Technology" and the 2018 World Economic History Congress in Boston for useful comments and suggestions. We thank Dan H. Andersen and Ingrid Henriksen for providing us with the data. All errors are ours. The research in this paper was supported by a grant from the Danish Agency for Science, Technology and Innovation. Jensen is corresponding author (phone: +45-65504472). E-mail addresses: Jensen (psj@sam.sdu.dk), Radu (cvr@sam.sdu.dk), Severgnini (bs.eco@cbs.dk). and Sharp (pauls@sam.sdu.dk).

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#### 1. Introduction

How do efforts to reduce the mobility of workers affect labor market outcomes? This is a question of considerable importance both for the world today, and economic history, with authors such as Genicot (2002) and Acemoglu and Wolitzky (2011) noting that labor transactions throughout most of history, and a significant fraction of such transactions in developing countries today, are coercive.<sup>1</sup> The present paper provides new evidence on this question by considering a large negative shock to labor mobility in the form of the reintroduction of serfdom in eighteenth century Denmark, for which we have unique individual level labor market data. According to several authors, feudal institutions such as serfdom undermined incentives and led to underdevelopment because they restricted labor mobility and removed the allocative role of the labor market (Acemoglu, Johnson and Robinson 2005, p. 441; Ogilvie and Carus 2014, p. 467). Many historical accounts are largely in line with this view, <sup>2</sup> but as pointed out by Dennison (2006, p.74) "a revisionist view has emerged, which portrays serfdom as having had little or no effect on peasants' social and economic behavior." Ogilvie (2005, p. 93) similarly points out that revisionists have adduced "[...] evidence that serfs sometimes migrated without apparent manorial hindrance," and a similar debate has played out in the Danish historiography.<sup>3</sup> This interpretation thus suggests that farmhands found ways of getting around the mobility restrictions associated with serfdom, and that its effects could very well be negligible.<sup>4</sup> However, no previous study offers an econometric basis for these assertions.

<sup>&</sup>lt;sup>1</sup> Coerced labor has been a persistent feature in developing countries such as Brazil, India and Pakistan throughout the twentieth century, see the contributions in Andrees and Belser (2009). Yet another example is the Chinese Hukou system, which serves to restrict rural-urban migration, see Whalley and Zhang (2007), who provide model simulations of the impacts of this system.

<sup>&</sup>lt;sup>2</sup> Recent examples include Ogilvie (2007) and Ogilvie and Carus (2014).

<sup>&</sup>lt;sup>3</sup> Mirroring the international literature, the traditional view has been that serfdom in Denmark was effective in restricting mobility and wage growth for farmhands. Thus, the Danish economic historian Hansen (1984, p. 43), for example, suggested that serfdom was effective in securing the estates a cheap, dependent labor force. In a similar vein, Andersen et al. (2004, p. 46) argue that "access to unfree labor supplied by the adscripted men on the estate must have guaranteed an upper ceiling for the wages of others."

<sup>&</sup>lt;sup>4</sup> See e.g. Hagen's (2002) study of Prussia, which emphasizes that serfdom and growth were compatible or the discussion in Clark (2007: pp. 220-223). For further examples, see Ogilvie (2005). Below we also add examples of similar views from the Danish context.

Thus, in this paper, we provide new quantitative evidence on the effects of reducing mobility in the labor market by exploiting the introduction of "the Danish equivalent of serfdom" (Østergaard,1995) known as adscription (in Danish: *stavnsbånd*) in Denmark in 1733. We leverage that adscription was targeted at tying male farmhands to the estate in the area in which they were born (Olsen, 1933; Skrubbeltrang, 1961). Agricultural workers were largely unskilled, and as they became bound to a given estate this was likely to decrease the bargaining power inherent in a right to move and seek work elsewhere, and thus their wages (Persson and Sharp, 2015, p. 91). This means that their wages were likely to decrease compared to other groups in the labor market as e.g. the mobility of craftsmen would be much less affected by serfdom.<sup>5</sup> Adscription could also serve to prevent young men from the countryside from moving out of the rural sector via an apprenticeship in a town.

Our dataset contains information on the wages, occupation and geographical location as well as other characteristics of individuals selling their labor to an estate. This allows us to evaluate whether there was a differential impact on farmhands as compared to other groups in the labor market in a differences-in-differences approach. This means that we exploit the re-introduction of serfdom as our source of variation across time combined with the fact that serfdom was targeted at farmhands, which provides us with variation across occupations. We therefore control for time and geographical effects and occupations in all our estimations. Given the micro-level nature of the data, we can also control for fixed effects for gender, seasonal work and other characteristics of the individuals we observe. We also control for the presence of regional trends interacted with year fixed effects which vary by geographical area in more extended specifications. Further, we can control for e.g. agricultural prices, which according to the historical narrative may have driven the re-introduction of serfdom, see e.g. Christensen et al. (1934), Feldbæk (1982) or Dombernowsky (1988). We find a sizeable, negative impact on the wages of farmhands using the differences-in-differences approach; in our baseline result, we find that farmhands experienced wages that were around thirty percent lower than they otherwise would have been compared to those of other groups in the labor market after the introduction of

<sup>&</sup>lt;sup>5</sup> Bobonis and Morrow (2014) show that when unskilled labor is coerced to work for e.g. landowners, then the relative wage of skilled workers increases. We return to potential mechanisms in Section 6.

serfdom.<sup>6</sup> Importantly, we can also provide evidence that there was no discernable differential trend between farmhand wages and those of other groups in the labor market prior to the reintroduction of serfdom. We complement this analysis with suggestive evidence on reduced opportunities for apprenticeship for young men from rural areas after serfdom was introduced using micro data for apprentices in the Danish city of Odense.

Apart from the unique data source and the possibility to implement differences-in-differences estimation, studying the case of serfdom in Denmark also has several other advantages. First, while there are many historiographical analyses of serfdom (Domar, 1970; North and Thomas, 1971; Brenner, 1976), there is relatively little quantitative evidence on the effects of serfdom on labor market outcomes for Western Europe. The reason is that serfdom ended in the early sixteenth century in most of western Europe, which means that data are largely unavailable. Some evidence exists for Eastern Europe (as discussed below) where the emancipation of the peasantry came much later, see e.g. Persson and Sharp (2015, p. 90-97). Denmark is an exception to the common western European pattern as our data pertain to the period in which serfdom was re-introduced. That Denmark was an exception is also confirmed by Rudé (1972, p. 31), who refers to Denmark as the "only major exception to the sharp east-west antithesis". Thus, studying the re-introduction of serfdom in Denmark offers a unique possibility to study the impact of serfdom on a western European country. Second, the rules regarding serfdom were gradually changed to pertain to larger age groups. In 1733, serfdom implied that a farmhand in the age group 14-36 years could not leave the estate to which he belonged from birth. The age group was extended to 9-40 years in 1742, and to 4-40 in 1764. The reform of 1788 meant that the age group was yet again 14-36 years. This allows us not only to investigate the immediate effect of serfdom under the 1733 rules, but we can also dig into whether tightening the rules was effective. It should be emphasized, however, that by investigating the impact of the 1733 serfdom in Denmark, what we look at is only one element of what is regarded as serfdom by many scholars, namely restrictions on mobility. This is not because other features often regarded as part of this institution did

<sup>&</sup>lt;sup>6</sup> While not directly comparable to our estimates, the effects reported in Naidu (2010) and Naidu and Yuchtman (2013) appear modest. For example, Naidu (2010) reports that a 10 percent increase in the enticement fine leads to a reduction in wages, which is between 0.11 and 0.17 percent. He describes these as small magnitudes but suggests that they are lower bounds.

not exist, as we will discuss in more detail below. Yet, they were not a part of the reform we consider. Nevertheless, in the context of this study, we also note that it is an advantage in terms of identification that we can exploit variation in – and consider the consequences of – just one of the dimensions of an economy with serfdom, namely the mobility of farmhands.

Thus, we contribute to the quantitative literature on the effects of serfdom, as well as to the broader literature on institutions and policies that restrict labor mobility.<sup>7</sup> We discuss these studies in a literature review in the next section, but conclude that none of those on serfdom focus on wage effects due to mobility restrictions, none of them evaluate the impact of the *introduction* of a coercive institution by exploiting micro-level wage data, and finally all of those on serfdom focus on the Eastern European or Russian varieties. The remainder of the paper is organized as follows. Section 2 reviews definitions of serfdom and existing empirical studies. Section 3 gives a brief history of serfdom in Denmark. Section 4 describes the empirical strategy, section 5 describes the data, and section 8 presents the analysis. Section 7 offers interpretation and discusses mechanisms, and section 8 concludes.

#### 2. Literature review

In this section, we discuss how serfdom has been defined in the historiographical literature and how the Danish form relates to this. We then review existing empirical studies of serfdom and labor coercion.

#### Definitions of serfdom and the Danish case

Much work on serfdom includes the observation that there is no uniform definition. For example, Blum (1961, p.6) argues that "Serfdom [...] defies easy explanation", and that the word "serf" or its equivalent, was applied to a wide range of European peasants, from people whose condition could

<sup>&</sup>lt;sup>7</sup> Slavery is an important example of a coercive labor market institution as in e.g. the American South. Slavery and serfdom share some similarities, but as pointed out in the *Oxford Encyclopedia of Economic History* vol. 4 (2003), serfs have legal rights and are often able to provide for their own subsistence, which is not true of slaves (p. 463).

scarcely be distinguished from that of chattel slaves to men who were nearly free. Moreover, he argues that "often the serf is thought to be have been a person who was bound to the soil" Similarly, the Oxford Encyclopedia of Economic History vol. 4 (2003, p. 463) states that "The precise form taken by serfdom cannot be specified in advance but must be established empirically for each particular time and place", but does however emphasize that legal restrictions on the right of movement are typically part of the whole serfdom package. O'Rourke (2017, p.423) similarly argues that "There was no single system of serfdom."

It is perhaps, therefore, no surprise that definitions of serfdom also vary in the literature. Persson (2014, p.228) views restrictions on mobility as the essence of serfdom and states that "Serfdom was essentially a way for a landowner to deny or restrict labour mobility." Yet, others such as Blanning (1983, p. 20) view this as an attenuated form of serfdom. Ogilvie and Carus (2016, p. 474), drawing largely on the experience of Russia and Eastern European countries, describe serfdom as follows: "A serf was legally tied to the landlord in a variety of ways, typically by being prohibited from migrating, marrying, practicing certain occupations, selling certain goods, participating in factor and product markets, or engaging in particular types of consumption without obtaining permission from his landlord." As is readily seen, this definition means that serfdom includes more than just restrictions on mobility. Field (1994, p.50) argues that the essence of Russian serfdom was the subjection of the serfs to the arbitrary power of their master or mistress. This included e.g. the selling of serfs. Yet, he also mentions that a second element of serfdom was "ascription", which meant that a serf could only travel from his home with his master's permission. Markevich and Zhuravskaya (2018) note that the Russian government limited the right of migration of Russian peasants from the fifteenth century and by 1649 migration had become a criminal offence.

The Danish policy of adscription clearly fits better with the definitions that emphasize mobility restrictions. Moreover, it is probably best thought of as a milder form of serfdom or attenuated serfdom as suggested by some authors. Still, all definitions above emphasize mobility restrictions, which underlines that this is an important element of any definition of serfdom. Yet, while it was not a part of adscription, tenant farmers had obligations in terms of in-kind rent and boon work for their landlord,

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and in this way, other elements of labor coercion were also present (Lampe and Sharp, forthcoming). This shares similarity with the obligations of the serfs in Russia (Markevich and Zhuravskaya, 2018), but does not of course change the fact that serfdom in Denmark was different from Eastern European and Russian serfdom.

#### Existing empirical studies of serfdom and labor coercion

In Table A1 in the online appendix, we provide an overview of the existing empirical studies in the literature, with information on the data, findings and type of serfdom investigated.

Three studies rely on cross-sectional variation. Domar and Machina (1984) provide tests of whether Russian serfdom was unprofitable by investigating whether the prices of serfs were similar across regions and different from zero. Klein and Ogilvie (2016) link the intensity of serfdom across Bohemian villages and show that there is a single peaked relationship to non-agricultural occupational activities. In relation to the empirical analysis, Klein and Ogilvie (2016) use the presence of landlords and therefore the ability by the landlord to intervene in the lives of the serfs. Ashraf et al. (2018) build a model to explain the abolition of serfdom and show that Prussian regions with more windmills had fewer serfs, with their measurement of serfs being based on emancipation from servile duties. None of these works relate directly to restrictions on mobility.<sup>8</sup>

The other studies listed in Table A1 rely on panel data. Nafziger (2012) and Buggle and Nafziger (2017) study whether serfdom had effects even after abolition in the Russian case. Nafziger (2012) finds relatively modest negative effects on mobility out of agriculture, whereas Buggle and Nafziger (2017) find evidence on long run persistent effects using Russian data. Our study speaks to the immediate effects of serfdom on labor mobility and not the long-run effects. Malinowski (2016) studies the case of Poland and defines serfdom as being present in areas in which peasants did not enjoy legal protection from the state against their landlords. Finally, Markevich and Zhuraskaya (2018) use a differences-in-

<sup>&</sup>lt;sup>8</sup> Ogilvie and Edwards (2000) analyze data for Bohemian villages, but do not consider the effects on wages.

differences strategy, which exploits the variation produced by abolishing serfdom and the intensity of serfdom across Russian regions.<sup>9</sup>

Unlike the studies reviewed above, we provide an evaluation of the effect of the introduction of serfdom on wages. In addition, we use micro-level data rather than more aggregate provincial or regional level data, and we focus on a case from Western Europe.

While our study is related to the literature on serfdom, we mentioned in the introduction that some contributions have considered other coercive labor market institutions. We have made an overview of the most relevant studies in Table A2. The studies by Naidu (2010) and Naidu and Yuchtman (2013) are closest to the present work in the sense that they also apply differences-in-differences estimations and consider restrictions on mobility due to legal punishment of breach of contract of workers in different settings. Naidu (2010) estimates the effect of anti-enticement laws on wages by using US state-level data. He also employs individual census data to estimate the effect of abolishing criminal sanctions on breach of contract. The study by Bobonis and Morrow (2014) consider education as the outcome, whereas Dippel et al. (2015) and Bishnu and Swamy (2017) look at workers who are mobile. We emphasize that none of these studies employ micro-level wage data to investigate the effect of the introduction of a coercive policy.

#### 3. Historical background

This section briefly details the history of serfdom in Denmark to inform our investigation of its labor market implications. We first discuss the early serfdom which applied to only part of the country (the eastern islands of Zealand, Lolland and Falster). Next, we discuss the introduction of serfdom over the whole country in 1733. Finally, we discuss the changes made to serfdom during the eighteenth century.

<sup>&</sup>lt;sup>9</sup> As explained in the previous subsection, the studies of Russian serfdom examine a variety which has many elements such as serfs being the property of landlords as well as mobility restrictions.

#### Early serfdom – vornedskab

At the end of the fifteenth century, a form of serfdom termed "vornedskab" was established on the eastern islands of Denmark.<sup>10</sup> As is also true for the 1733 serfdom, it was directed at male farmhands. Christensen, Milthers and Hansen (1934, p. 40) note that the sons of farmhands were tied to the same estates as their fathers, and were thus not at liberty to move, although they were not the property of the landlord. Thus, if the farmhand was able to raise enough money to pay a fee, he could be allowed to work elsewhere. Nevertheless, while farmhands under *vornedskab* were not slaves, Christensen et al. (1934) mention that the buying and selling of farmhands by landlords did in fact take place. While there were earlier attempts at abolishing this form of serfdom, it was not until 1702 that this was finally enacted, <sup>11</sup> and then only for children born after August 25<sup>th</sup>, 1699. This leads Munch (1974, p. 308) to conclude that the abolition did not have any effect until 1717, when the first free workers were able to enter the labor market.<sup>12</sup>

#### Reintroduction of serfdom

As mentioned in the introduction, serfdom was reintroduced in 1733 for all males in the age group 14 to 36 years old, and this time for the entire country. More precisely, serfdom was reintroduced on February 4<sup>th</sup>, 1733, when a royal decree declared that any peasant of age 36 or younger was not allowed to leave the estate on which he was born if the landlord had work for him. From 1735, it was made clear that the intended group was from 14 to 36 years of age, although the original decree might have signified that originally by using the word *"bondekarl"* (peasant), which indicates someone who is clearly not a young child (Holmgaard, 2003, p. 28).<sup>13</sup> The reintroduction was mainly aimed at ensuring

<sup>&</sup>lt;sup>10</sup> Henriksen (1995) discusses some of the factors behind the adoption of *vornedskab* on the Eastern Islands. She emphasizes that the estates were larger on Zealand and the other eastern islands. Yeoman did not exist on the Eastern islands. Grain production was more common on Zealand compared to Jutland, which focused more on cattle feeding. Grain production required more labor input.

<sup>&</sup>lt;sup>11</sup> This was done by a royal decree of February 21<sup>st</sup>, 1702, see Holmgaard (1999, p. 130), who also provides a discussion of the process that led to abolition.

 <sup>&</sup>lt;sup>12</sup> In a similar vein, Løgstrup (2015) concludes that *vornedskab* was gradually abolished as those subject to it passed away.
<sup>13</sup> In 1735, it was made clear that those who had moved to another estate before 1733 on the basis of a valid passport were bound to the estate at which they had residence, see Løgstrup (1987a, p. 36).

farmhands for the estates, but in principle every male peasant in the age group 14 to 36 years was now tied to an estate.<sup>14</sup>

According to Olsen (1933, p. 63), the main motivation was to ensure low wages in the agricultural sector as run by the estates. Prior to 1733, farmhands had become freer at least *de jure* (Olsen, 1933, p. 64) due to the abolition of the early serfdom, vornedskab, on the eastern islands. Yet, in the western part of the country, farmhands had not been limited in their mobility prior to 1733 to the same extent. The introduction of serfdom has also been associated with scarcity of labor as compared to land (Holmgaard, 2003), in line with earlier work by Domar (1970). Yet, serfdom was introduced by the political system, which Domar himself acknowledged is not in his model. Moreover, as pointed out by Simonsen (1988), Danish historians have in general been rather dismissive of the complaints by the landlords regarding labor scarcity and have rather interpreted this as an attempt to repress wages. Nevertheless, if the agricultural crisis or the end of vornedskab were creating conditions of labor scarcity, this should have shown up in wages, for which reason we investigate below whether there were early impacts on the wages of farmhands prior to serfdom. Another theory put forward by Holmgaard (1990) suggests that the introduction of serfdom is related to the (temporary) abolition of the country militia in 1730. As young peasants were no longer required to serve, some seem to have decided to be drafted into the army rather than work on an estate (Holmgaard, 1990: p. 248-250). On the other hand, the country militia is also believed to have caused young peasants to flee the country, so in principle its abolition could have increased the number of available farmhands.

Whatever the case, a process during which it was argued that the freedom of the peasants had to be constrained was set in motion, culminating in the introduction of serfdom in 1733, which was formally enacted by re-establishing the country militia.<sup>15</sup> This came with the requirement to keep a register of

<sup>&</sup>lt;sup>14</sup> This is different from serfdom in e.g. Russia in which roughly 43 percent of peasants were privately owned serfs (Markevich and and Zhuraskaya (2018)) and the remaining 57 were formally free (relative to serfs) in 1858. All peasants in the age group 14 to 36 years became adscripted in Denmark.

<sup>&</sup>lt;sup>15</sup> The discussion in Skrubbeltrang (1978, p. 184-189) suggests that military needs may have had some influence, as he argues that the total number of soldiers was reduced by 10,000. Yet, the view summarized by Lampe and Sharp (2018) that the rural militia was reintroduced formally to guarantee military recruitment but effectively binding men to farms is often found in the literature. Løgstrup (1987a) views the re-introduction of the militia as driven by a combination of the interest of the minister of war and estate owners. Yet she notes that the rural militia only affected about 6,000 men, whereas all men from 14 to 36 years were bound to the land.

all males of the ages 14 to 36, which could be used to keep track of the farmhands in the relevant age group (Skrubbeltrang, 1978, p. 185).<sup>16</sup> Since the landlord could choose to enroll anybody who was not a tenant farmer in the militia (which by all accounts was not an experience most people desired), it has been argued that this threat was an important means of control for the landlords, allowing them to pressure young farmers into taking over otherwise undesirable or poorly maintained vacant farms (Skrubbeltrang(1978)). In fact, even stronger forms of serfdom in which the peasants would become the actual property of the estate owners were also proposed to the king (Holmgaard, 1990: p. 259), giving some support to the idea that the introduction of serfdom was mostly driven by a desire on the side of the estate owners to reduce the mobility of its labor force, rather than actual labor scarcity. While it is difficult to discern strong signals from year to year variation in the data, Figure 1 suggests that although farmhands experienced average wage<sup>17</sup> increases prior to serfdom, and after the abolition of the country militia, so too did those of other groups. However, with the re-introduction of serfdom in 1733 until the end of the 1740s, farmhands appear to have experienced substantial decreases in wages compared to other groups. While the raw data fails to control for composition effects within the groups, the visual impression suggests nevertheless that average wages among farmhands did fall. We test more formally for an effect below.

#### <Figure 1 about here>

The reintroduction of serfdom has also been associated with falling agricultural prices following the Great Northern War of 1709-1720 (Christensen et al., 1934; Feldbæk1982;Dombernowsky, (1988)) which turned into an agricultural crisis leading farmhands to leave the estates.<sup>18</sup> When we plot our data for the (natural logarithm of) barley price along with (the natural logarithm of) farmhand wages in Figure 2, we find that in the aggregate, grain prices were falling in the years prior to the reintroduction

<sup>&</sup>lt;sup>16</sup> We do not have access to these registers, but to estate level data as described below.

<sup>&</sup>lt;sup>17</sup> The data used for constructing average wages are discussed in detail in Section 4, but it should be noted that we are comparing nominal wages of the two groups. Given that we are comparing wages within the same country, the two groups would face similar prices. Figure A1 shows the data for the entire data period.

<sup>&</sup>lt;sup>18</sup> The Great Northern War was a war between Sweden and most other northern European countries, and is either dated from 1700-1721 or 1709-1720. Denmark was allied with Prussia, Russia and Saxony. Major battles include a failed attempt by the Danish army to recapture Scania in southern Sweden in 1709-1710 and the defeat of the Swedish army in Tønning, Schleswig in 1713. Following a series of battles with no clear winner and the Swedish king Karl XII's death, peace was made on February 1, 1720 (Jespersen year missing here: pp. 306-315).

of serfdom.<sup>19</sup> Yet, we note that the barley price was starting to increase from 1732. In fact, barley prices were increasing in the 1730s at the same time as farmhand wages were decreasing. This suggests that it is unlikely that agricultural prices were driving the reintroduction of serfdom.<sup>20</sup> Nevertheless, we will control for the barley price in some estimations.

#### <Figure 2 about here>

As noted above, *vornedskab* was gradually abolished on Zealand, and so by February 1733, all farmhands of age 33 years or below were no longer subject to it (Skrubbeltrang, 1978). Moreover, farmhands whose parents had migrated from Jutland and Funen had been free of *vornedskab* (Skrubbeltrang, 1978, p. 178). This means that the effect of serfdom might plausibly have been smaller on Zealand as it would not affect all those aged between 33 and 36. To investigate this, we have plotted the average farmhand wages by two regions, Zealand and Funen/Jutland, in Figures A3 and A4. While we have fewer observations to compute the averages, the impression is similar for both regions in the sense that wages fell after 1733. However, this fall seems more pronounced for Funen and Jutland, something that will also be apparent from our differences-in-differences analysis below.

#### Tightening and abolition of serfdom

From 1742, serfdom was tightened to the age group 9 to 40 years old. Further edicts from the 1740s link the reduced mobility to the presence of cattle plague (Christensen et al., 1934: p. 75). From 1764, serfdom was further tightened to the age group 4 to 40 years. As part of wider agrarian reforms, serfdom reverted to the 1733 version in 1788 and was finally abolished in 1800.<sup>21</sup> Tightening the rules could have been an endogenous response to problems with for example runaways leaving the country. Yet, if we consider the 1742 changes, Holmgaard (2003, p.31) has noted that a main reason given by the estate owners for changing the rules was not that they were being broken, but rather that males

<sup>&</sup>lt;sup>19</sup> Feldbæk (1982) and Dombernowsky (1988) plot more aggregate barley prices at the regional level. Dombernowsky stresses that it was mainly producers of grains that were hit by the agricultural crisis and to a lesser extent those specialized in animal products.

<sup>&</sup>lt;sup>20</sup> The data shown are averages of the barley prices observed at the level of the estate. In Figure A2 in the appendix, we show that a similar development is true for rye prices.

<sup>&</sup>lt;sup>21</sup> The agrarian reforms also included e.g. the enclosure movement, see e.g. Christensen (1925), Løgstrup (2015), and Lampe and Sharp (2018).

younger than 14 years of age were leaving the estate in order to avoid serfdom. He also finds, however, based on a review of primary evidence, that this was only happening to a very limited extent.<sup>22</sup> Returning to Figure 1, we do not see any visible effect of the 1742 tightening, but notice that this would have been a smaller shock compared to the initial one. Similarly, the data for the period 1705-1799 fails to reveal any visible effects of the 1764 tightening (see Figure A1 in the supplementary appendix).<sup>23</sup>

#### 4. Data

Here, we describe how we obtain our measure of individual wages as well as an indication of which individuals are unskilled farmhands. Fortunately, it turns out that for the eighteenth century, a vast amount of data was collected by the Danish Price History Project, which was started at the University of Copenhagen in 1939 and terminated in 2004. The wage data are referenced and briefly summarized in volume II of the *History of Prices and Wages in Denmark 1660-1800* (Friis and Glamann, 1958; Andersen and Pedersen 2004). To the best our knowledge, they have not otherwise been exploited. The data come from manorial accounts (Andersen and Pedersen, 2004: p.16) and the period covered overlaps that when serfdom was reintroduced. They represent a unique dataset on labor and product markets during that time, unrivaled in detail by anything available for other countries. Radu (2018) details how the wage data are harmonized at the individual level, and it should be noted that they have been corrected for in-kind payments (also documented in the data), which however is only relevant for a small proportion of the observations for every year and is never above five percent.<sup>24</sup>

<sup>&</sup>lt;sup>22</sup> Løgstrup (1987a) is more partial to the explanation provided by the estate owners for wanting to tighten the rules. She provides a few cases in which a family tried to move a child from the estate before the age of four.

<sup>&</sup>lt;sup>23</sup> We also note that there is no visible upward trend in wages of either groups in Figure A1 of the supplementary appendix.

<sup>&</sup>lt;sup>24</sup> During the 1730s the fraction is very small and unchanging and hence in-kind payments do not seem to be related to the introduction of serfdom, see Figure A5. Skrubbeltrang (1978, p. 247) discusses money wages in different part of the country and notes that they were likely to be tied to grain prices given that payment in kind was common. Yet, he gives several examples in which money wages were paid to day laborers.

We are unfortunately not able to track individuals across time, but we have data for individuals working for a total of 16 estates<sup>25</sup> across the regions of Funen, Jutland and Zealand in the full dataset covering 1705-1799: see Figure 3 for a map of Denmark with the estates marked and Table A3 for a list of the estates. We restrict ourselves to these years since the data are very thin before and after. Thus, the dataset consists of repeated cross-sections available at an annual level. For measuring whether a person is a farmhand, we use the fact that we have information on occupation, which we have coded according to the HISCO system (van Leeuwen, Maas and Miles 2002). We code as farmhands those who are designated as "farm laborers", "day laborers" and "laborers"<sup>26</sup> as our baseline, but also consider specifications in which we only use "farm laborers", which arguably captures most closely those who worked the field.

Table 1 summarizes the available data for the three regions of Jutland, Funen and Zealand. While we have observations for all three regions in the four periods, eight estates do not have any observations in the period which contains the reintroduction of serfdom (1705-1741) and we therefore only have 731 observations for this period. The data become thicker over time and are thickest for the period 1764-1787. The Danish price history does not provide detailed descriptions of who these laborers were, but it indicates that the day laborers working in the field were usually cottagers renting a house, often with a small field. They had to work as farmhands with a contract for 6 or 12 months. The day laborers would receive money wages and if they worked on medium sized farms they would typically receive payment in kind (Andersen and Pedersen, pp. 19-20). Skrubbeltrang (1978, p. 143) mentions that threshers would not be subject to the contract requirement and could be hired at any time. The data may also include farmhands who were allowed to work on other estates (see Olsen 1950) for wages on a temporary basis. However, we stress that given that landlords had the right to make the local peasants

<sup>&</sup>lt;sup>25</sup> Andersen and Pedersen (2004, pp.44-96) provide a brief discussion of each manorial account. While the accounts are of varying quality, they detail wage payments and the type of work being performed. According to Jørgen Mikkelsen of the Danish National Archive (*Rigsarkivet*), the accounts only include the transactions of the estate and not the transactions of tenant farmers (personal correspondence).

<sup>&</sup>lt;sup>26</sup> Farm laborers perform a variety of tasks in growing crops and breeding and raising livestock according to the HISCO classification scheme. Laborers perform lifting, carrying, stacking, shoveling, digging, cleaning and similar tasks by hand, using simple laboring tools such as pick, shovel, wheelbarrow and street broom where necessary. Day laborers perform the same range of tasks as laborers using the same types of tools as a laborer (with codes 9-99.10), but are specifically hired and paid by the day.

stay to farm the land on their estates, the wages of those who could move even temporarily were also likely to have been affected. In Table A4, we provide a list of the 30 occupations of which we have at least 100 observations in the dataset, to provide an impression of other occupational categories,<sup>27</sup> which include craftsmen such as bricklayers and carpenters, as well as teachers for example.

#### <Table 1 about here>

Besides occupations and wages, the data also provide information on gender, the season of the year that the work was carried out, job title (master or ordinary craftsman), whether the individual was a child, and the location of the individual as given by region and estates.<sup>28</sup>

#### <Figure 3 about here>

#### 5. Empirical strategy

We employ a differences-in-differences estimation on a dataset covering the period 1705-1799, pursuing two strategies: first, where we treat the reintroduction of serfdom as a single period (1733 to 1799), and second, where we allow in a more flexible way the effects to be time-varying according to the periods described above.

We proceed by estimating the following equation for the period 1705-1799 for the natural logarithm of wages as denoted by  $ln w_{it}$ :

$$ln w_{it} = Farmhand_{it}Serfdom_{1733}\beta + \alpha_t + X_{it}'\gamma + \varepsilon_{it},$$

where *i* indicates individual and *t* indicates year. *Farmhand*<sub>*it*</sub> indicates whether the individual observed is a farmhand, and finally *Serfdom*<sub>1733</sub> is a dummy which is equal to 1 from 1733-1799. The parameter of interest is  $\beta$ , which measures the impact of serfdom on the farmhands.  $\alpha_t$  indicates year fixed effects.<sup>29</sup>  $X_{it}$  is a vector of control variables which include fixed effects for occupations (as

<sup>&</sup>lt;sup>27</sup> There are 75 occupational codes in the dataset in total.

<sup>&</sup>lt;sup>28</sup> For descriptive statistics see Table A5 in the online appendix.

<sup>&</sup>lt;sup>29</sup> Effects for years capture common shocks such as the cattle plague in the 1740s.

described above), region fixed effects,<sup>30</sup> gender fixed effects, seasonal fixed effects, and other control variables. As mentioned above, we control for fixed effects for years and occupation. This means that we exploit differences across *time* combined with differences across *occupations*. By controlling for year fixed effects, we capture any overall impact of introducing serfdom, and by controlling for occupation, we control for any time-invariant impact of being a farmhand. We then ultimately exploit that there is a differential impact of serfdom on farmhands. The crucial identifying assumption is that log wages would be on parallel trends for farmhands and other occupations in the absence of serfdom. By testing for pre-existing trends, we can offer indirect evidence for this assumption.

The fact that serfdom was tightened and then relaxed subsequently might influence the result, and we therefore also estimate more flexible models in which we take advantage of this:

$$ln w_{it} = Farmhand_{it}Period_{1}\beta_{1} + Farmhand_{it}Period_{2}\beta_{2} + Farmhand_{it}Period_{3}\beta_{3}$$
$$+ Farmhand_{it}Period_{4}\beta_{4} + \alpha_{t} + X_{it}'\gamma + \varepsilon_{it}$$

where  $Period_1$  is a dummy equal to one in the years from 1733 to 1741,  $Period_2$  is a dummy equal to from one in the period 1742-1763,  $Period_3$  is a dummy equal to one from 1764 to 1787, and  $Period_4$  is a dummy equal to one for the period 1788 to 1799.

We also estimate models that are more flexible than the above equation. These allow us to check the common pre-trend assumption which assumes that the trend for farmhands was parallel to those of other occupations. Since there might have been an impact of the earlier serfdom (*vornedskab*) during this period, in some models we include a dummy for the period after it ceased to have an effect. In other, more demanding specifications, we estimate fully flexible models.

#### 6. Results

This section presents the results from the estimation of our equation of interest. All standard errors are clustered at the level of the estate or alternatively at occupational level. We begin by discussing the

<sup>&</sup>lt;sup>30</sup> We include region fixed effects since the literature argues that the group of estate owners must have comprised a kind of employer organization at the regional level, and they may have had some agreements on wages (Andersen and Pedersen, 2004: p.46).

main results as reported in Table 2. Column 1 shows a negative and statistically significant estimate of the interaction  $Farmhand_{it}Serfdom_{1733}$ , which is consistent with the view that serfdom did indeed affect farmhands more strongly compared to other groups in the labor market. The estimate in column 1 implies that farmhands experienced wages that were 29.6 percent lower than they otherwise would have been compared to those of other groups in the labor market after the introduction of serfdom. In column 2, we look at whether there were any differential effects across the periods in which the restrictions were either tightened or loosened. Overall, the effects for the four sub-periods seem similar and it cannot be rejected that they are the same.<sup>31</sup> In column 3, we add region by year effects for Funen and Jutland, which did not experience mobility restrictions prior to 1733. The estimate remains negative, but significance is reduced to the ten percent level. The sign of the coefficient is nonetheless still negative, and we cannot reject that it is of similar magnitude to that reported in column 1. In column 4, we begin to investigate whether there are pre-existing trends in the form of the abolition of the early serfdom as discussed above. As this would start to matter from 1717, when the first farmhands who were free of early serfdom turned 18 (see above), we interact a dummy for 1717-1732 with the farmhand dummy and obtain a positive yet statistically insignificant estimate on this variable. Finally, since the mobility restrictions only applied to male farmhands, we check that the results are not driven by using women as the control group, and we find that this is not the case: see column 5 in Table 2.

#### <Table 2 about here>

In addition to the flexible models in columns 3 and 4 in Table 2, we have also estimated a fully flexible model in which the farmhand dummy is interacted with year dummies. While this is a more extended specification, the results indicate that there are no negative and statistically significant coefficients prior to the re-introduction of serfdom in 1733, and the pattern of coefficients is such that most coefficients after 1732 are negative and significantly so in some of the years, see Figure 4. As we do not have many observations per year, the lack of significance is perhaps not surprising. As an alternative way of estimating a flexible model, we have divided the data into five-year periods. We find a similar result to

<sup>&</sup>lt;sup>31</sup> The F-statistic for a test of equality of coefficients equals 0.15.

that with the yearly periods, see Table A6 in the Online Appendix. It is only for the periods that included the years of serfdom that we find negative and statistically significant coefficients.<sup>32</sup>

#### <Figure 4 about here>

We next investigate the degree to which our results depend on using the full sample and the inclusion of certain occupations in the control group. These results are reported in Table 3. First, we re-estimated the baseline model on samples running from 1705-1741, 1705-1763 and 1705-1787. We note that the coefficient of interest is negative for the initial period before the first tightening, but it is statistically insignificant, see column 1. Once we extend the sample to 1763 as in column 2, the coefficient is very like the baseline estimate (see column 4) and is also significant at the five percent level. The same is true when we extend the sample further to 1787, see column 3. The fact that we do not observe any effects using only the period before the rules were initially tightened could be related to the fact that the sample is reduced to less than 800 observations. Once we increase the sample, we get much stronger results. Below, we report results suggesting that the effects on farm laborers were stronger than for the other unskilled laborers we use in our measures. If we use the farm laborer category alone in our measure, we find that the coefficient is larger than for our main result with a statistically significant coefficient of -0.37 for the whole sample. If we use the initial period only, then the coefficient is -0.51 and it is significant at the ten percent level. This suggests that the result for the initial period is driven by low power, since when we use those laborers treated more intensely, the effect seems to get stronger. This is also corroborated by the fact that we find a statistically significant effect for the first period when we estimate our model on the full sample, as shown in Table 2.

We also investigate whether including certain occupations in the control group drives the results. A substantial amount of observations is for teachers who worked on the estates. As these may have been more mobile compared to other groups during serfdom, including them in the control group could affect the results. The result in column 5 suggests that this is only so to a limited extent, since the effect

<sup>&</sup>lt;sup>32</sup> We find some indication that farm hand wages were increasing in 1710-1719, but the effects are statistically insignificant. From 1720-1729, the estimated effect is very small. Thus, we find no evidence of any pre-existing negative trend in farm hand wages.

remains negative and significant, as well as numerically similar. Excluding carpenters or masons also has little effect, and the same is true for farm servants, see columns 6-8.<sup>33</sup>

#### <Table 3 about here>

We next include a number of control variables in Table 4. First, we investigate whether prices of grains (specifically barley, the most widely grown variety) could be the underlying factor driving wages and serfdom, see the discussion above. In column 1, we have included the average annual barley price observed at the level of the estate. If lower grain prices were driving serfdom and lower wages for farmhands, we would expect the coefficient to be positive. We find that the coefficient on (the natural logarithm of) the price of barley is positive, but not statistically significant. Moreover, although the coefficient on the interaction between farmhand and the serfdom dummy is reduced compared to the baseline, it remains significant.<sup>34</sup> These results suggest that our main result is not driven by differential developments in grain prices across estates.

We also investigated the extent to which our results are driven by other ways in which serfdom affected wage development. Our identification relies on serfdom being mainly targeted at male farmhands. Other males could be restricted from moving as well, and so we control for other aspects of the environment. First, being close to the border might have implied that it was easier to run away as suggested by Holmgaard (2003). When we control for distance to Schleswig-Holstein (across the border in the south of the Jutland peninsula) interacted with the serfdom dummy in column 2, we find little evidence for this, and the coefficient is positive and insignificant. Being closer to a market town or the coast were associated with higher wages after serfdom, see columns 3 and 4. These results suggest that in areas in which it was easier to escape, wages did increase after serfdom. Yet, the effect on farmhands after serfdom remains negative and significant in all three columns. In column 5, we control for all four

<sup>&</sup>lt;sup>33</sup> We have also excluded individuals who live on donations. There are only about 70 observations of those, and we find that this does not matter for the main result.

<sup>&</sup>lt;sup>34</sup> The correlation coefficient between the (log) price of barley and the (natural logarithm) price of rye is 0.82. Our preferred measure of grain prices is the one for barley as there are more observations available for this grain. When we replace our measure of grain prices by the price of rye, the coefficient on the price of rye is negative and marginally significant at the 10 percent level, see column 2. This result seems counterintuitive as this would imply that it was higher prices that drove wages down. The coefficient on the serfdom interaction remains similar, although precision is reduced.

variables, and find that our conclusions are largely unchanged, although the point estimate on the farmhand interaction is now smaller. We note also that the 95 percent confidence intervals between the estimates from the different columns overlap.

#### Additional robustness checks

We report additional robustness checks in Tables A7 and A8 in the online appendix. In columns 1 and 2 of Table A7, we show the effect of splitting the sample between those regions that did not have serfdom prior to 1733 (Funen and Jutland) and those that had the early serfdom (Zealand and surrounding islands). We find negative coefficients for both subsamples, though the effect is more precisely estimated for those regions that did not have serfdom prior to 1733. The effect is still negative for the Zealand sample, though precision is smaller. In column 3 of Table A7, we show results when we let the sample begin in the seventeenth century and end in 1805 (i.e. including also those years for which we have very few observations). Again, the result for the period of serfdom is similar to our baseline estimate. In column (4), we ask whether it matters that children are in the sample and find that it does not. In columns (5) and (6), we cluster at the level of the occupation in column (5) and use two-way clustering (estate/occupation) in column (6). In column (7), we investigate whether differential effects on the three groups included in the serfdom measure are present.<sup>35</sup> It might be the case that using just those we know for sure worked on the field produces stronger results. We investigate this by allowing for different effects of the three types of laborer. When we do so, we find that the coefficient on the farm laborer interaction is -0.41 and significant at the five percent level. For day laborers it is -0.34, but only significant at the ten percent level. Finally, for laborers the coefficient is -0.257 and significant at the five percent level. These results are suggestive of some differences, though statistically speaking we cannot tell whether this is in fact the case, see column (7) of Table A7.

We next investigate whether we could replace farmhands by either teachers, bricklayers, or carpenters in the differences-in-differences variable in columns (1)-(3) of Table A8. We find that teachers had

<sup>&</sup>lt;sup>35</sup> There are 75 occupations included in the baseline estimation. Using clustering corrections at this level alleviates the concern that the number of clusters is relatively low in our baseline estimations to some degree. We have also applied the wild cluster bootstrap by Cameron, Gelbach, and Miller (2008) to take into account that we only have 16 estates and obtain a p-value of 0.082 for the serfdom variable.

increasing wages after 1733, and to investigate whether any of the other occupations explain our main results, we run models which augment our baseline model by the three variables added in columns 1 to 3. As is clear, effects on other occupations do not explain those found for farmhands, see columns 4 to 6 in Table A8.

In Table A9, we investigate the extent to which observable or unobservable estate characteristics drive our results. In the main analysis, we use region fixed effects, which capture larger regions. This is warranted for several reasons. First, the historical narrative suggests that labor markets were to some extent regional. Second, in terms of institutional legacy, the larger regions capture the divide between regions which had the early serfdom and those which did not. Finally, we can observe data for all the regions before and after serfdom, which is where we get our time variation for our differences-indifferences estimation. This is not true for estates, as we observe some only before and some only after serfdom, see Table A3. This means that some of the before and after variation will be captured by the estate fixed effects. Bearing this in mind, we nevertheless run the estimations with estate level fixed effects. In column 1 of Table A9, we show the model in which we allow the effect to vary by periods. The coefficients are negative for all periods, but it is only significant for the first period. In column 2, we show the effect for all periods, and while the coefficient is negative, it is no longer significant. While this may suggest that the effects of serfdom died out, we show in columns 3-6 that there are reasons to believe that this is not the case. When we control for the price of barley in columns 3 and 4, we obtain significance at the ten percent level for the overall effect in column 4. The effect in the initial period is the strongest and is significant at the 5 percent level in column (3). In column (5), we exploit that farm laborers may have been exposed more heavily, and again we find the strongest effect initially, and the effect then becomes less significant for later periods. Again, we find that the overall effect is negative and significant at the ten percent level in column (6). Overall, our reading of the evidence is that estate level effects do not explain the results, but that controlling for them adds substantial noise. As an alternative to estate fixed effects, we control for observable characteristics of the estates in columns 7 and 8. In particular, we control for distance to Schleswig-Holstein, distance to the coast,

distance to a market town, and the productivity-adjusted size of the estate,<sup>36</sup> and we find that the results are similar to our baseline. In sum, we can conclude that the estimated effect of serfdom is not driven by observed or unobserved estate level characteristics.

#### Discussion

All the results presented above are consistent with the view that farmhands were negatively affected by the introduction of serfdom. In this section, we discuss interpretations as well as mechanisms. We noted that serfdom has in part been viewed as a response to an agricultural crisis with falling prices beginning after 1720. Yet, we note that wages of farmhands were not significantly statistically different from other groups in society in the period 1717-1732, which marks the time that the abolition of *vornedskab* would have come into effect. We also note that using annual variation there were no discernable pre-trends.

Our results necessarily allow for several mechanisms as to why the wages of farmhands are relatively low. One mechanism alluded to in the introduction is that farmhands could to a lesser extent exert their outside option by getting jobs at other estates, as compared to e.g. craftsmen. The relatively stronger mobility of craftsmen may be attributed to the fact that they could more easily find jobs outside the village due to their education (Løgstrup, 1987b), or they might have had better options if they were to run away and migrate to another country (Olsen, 1933). Olsen (1933, p. 75) argued that the young craftsmen tied to an estate could easily find jobs abroad and believed that they were relatively numerous among those that ran away. Another related mechanism is that the supply of apprentices coming to the cities from the rural areas would contract as also suggested by Olsen (1933). If serfdom prevented young men from moving to other occupations, this would tend to weaken their outside options. This could also lead to a shortage of craftsmen in both cities and the rural sector, which would mean that the relative wages of farmhands would decrease.

<sup>&</sup>lt;sup>36</sup> Denmark used a measure called *tønde hartkorn* to measure the size of properties at this time, mostly for tax reasons, which measured the estimated productive capacity of the soil. Thus, a small, productive estate could have a larger "area" in *tønde hartkorn* than a large estate on less-productive land. More productive estates would arguably have higher population density, so this variable may also capture this.

To get some suggestive evidence on this latter mechanism, we employ micro-level data for the city of Odense for which information on the birthplaces of apprentices has been coded. These data include information on what type of guild the apprentice joined (e.g, for shoemakers and tailors), covering the years 1700 to 1790 and yielding a total of 516 observations.<sup>37</sup> While we cannot employ a differences-in-differences approach in this setting, it is possible to test whether the probability the apprentice is recruited from the countryside declined from 1733. We do this by estimating the following linear probability model:

 $P(apprentice from country side = 1|x) = \alpha_{guild} + serf dom_{1733}\gamma + \varepsilon_{it}$ 

where  $\alpha_{guild}$  indicates guild fixed effects and  $\gamma$  indicates the effect of serfdom on the probability of recruiting from the country. *serfdom*<sub>1733</sub> is defined as above.

Now  $\gamma$ <0 would be consistent with this mechanism. When we estimate the model, we find that  $\hat{\gamma} = -0.267$  (standard error clustered by guild = 0.028). Although this could possibly indicate a general, negative trend for potential apprentices from the country unrelated to serfdom, we find that this is implausible given our evidence on rural wages.

We can also test whether the changes to serfdom mattered by allowing for separate coefficients for the four periods by estimating the following model:

 $P(apprentice from country side = 1|x) = \alpha_{guild} + Period_1\gamma_1 + Period_2\gamma_2 + Period_3\gamma_3 + Period_4\gamma_4 + \varepsilon_{it}$ , where  $Period_1$ ,....,  $Period_4$  are defined as above.

The estimated equation becomes:

$$\begin{split} P(apprentice\ from\ countryside\ =\ 1|x) &= \alpha_{guild} - Period_1 0.188 - Period_2 0.309 - \\ Period_3 0.251 - Period_4 0.24 + \varepsilon_{it}, \end{split}$$

The coefficients are all negative and statistically significant. Moreover, they are statistically different from each other. This suggests that changes to the affected age groups did matter for those who

<sup>&</sup>lt;sup>37</sup> We have data for 17 guilds. We do not have data points for each year meaning that for some years we have at least one observation, whereas for others we have none. Moreover, the data only contain information about the guild the apprentice joined and whether the apprentice had his origin in a town or in the countryside.

wanted to become apprentices. In particular, the tightening in 1742 seems to have made a difference, consistent with Holmgaard's (2003) argument that the reason for changing the age to 9 years old was that the younger residents of the estate left before serfdom would apply to them. As a final test of this, we investigated whether we observe an effect when we only estimate on data from 1733, and then code the dummy as 1 from 1742. We find that there is a negative coefficient, which is statistically significant at the 10 percent level, suggesting that the observed pattern is associated with serfdom and not simply general trends. The tightening in 1764 does not seem to have changed much, however, and we find no detectable difference between the periods 1742-1763 and 1764-1790. This may (very plausibly) suggest that reducing the lower age from 9 to 4 did not matter much for the supply of apprentices.

In sum, these results suggest that possibilities for becoming apprentices for young men from the countryside diminished after serfdom as well as the tightening of the rules. As mentioned, there are other plausible mechanisms, and while we do not know whether the effect on recruitment of apprentices from serfdom is more important than migration out of the country, its presence suggests that the mobility of farm laborers was, in fact, affected by serfdom.

#### 7. Conclusion

This paper presents evidence that institutions, and coercive labor market institutions such as serfdom in particular, matter, as long suggested by the work of economists and economic historians such as Acemoglu et al. (2005) and Ogilvie (2007). We also address the tendency of revisionist historians to argue that serfdom had limited effects, due to the presence of runaways, as well as other ways of leaving estates. We thus offer new quantitative evidence on the impact of serfdom on labor markets by exploiting unique individual level data for eighteenth century Denmark. We find a considerable negative effect on the wages of farmhands, consistent with the view that serfdom did matter for the mobility of workers and the labor market in general, and this is robust across a variety of specifications. We also present evidence of a potential mechanism using data on apprenticeships, which suggests a decline in the number of apprentices coming from the countryside during periods of serfdom. This

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implies that restrictions on mobility can have considerable negative impacts on the labor market, might stymy human capital formation, and thus ultimately have a deleterious effect on general development.<sup>38</sup>

<sup>&</sup>lt;sup>38</sup> Nonetheless, it should be mentioned that serfdom may not only have had negative impacts. Olsen (1933), for example, links serfdom with the adoption of the labor-intensive field system of *Koppelwirtschaft*, which in the Danish context was associated with the establishment of modern dairying (Lampe and Sharp 2018; Jensen, Lampe, Sharp and Skovsgaard (2018)). Dennison (2006) also highlights that serfdom may have led to innovation among Russian landholding magnates.

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## **Tables and Figures**



Figure 1: Wages for farmhands and other groups in the labor market, 1730-1760

**Notes:** The variables on the second axis are the natural log of the wages of farmhands and other occupations respectively. The vertical lines represent 1733 and 1742 respectively. The original wage data are nominal day wages measured in the Danish unit skilling.





**Notes:** The variables on the second axis are the natural log of the wages for farmhands and the natural log of the price of barley. The vertical lines represent 1733, 1742, 1764 and 1788 respectively. The original wage data are nominal day wages measured in the Danish unit skilling.

Figure 3: Map of Denmark with the location of the estates in our sample



**Notes:** The green dots identify the location of the estates of our dataset in the Kingdom of Denmark in a Geographical Information System Map. Source: geographical coordinates collected by the authors.





**Notes:** Coefficients obtained from the flexible-form with 95% confidence interval. 1705 is the omitted year. Due to an absence of observations on farmhands, some years are constrained to be zero in the period 1710-1720.

#### Table 1: Distribution of observations across time and space

	1705-1799	1705-1741	1741-1763	1764-1788	1789-1799	Farmhands, 1705-1799	
Region	Number of observations for all occupations					Percentage of all occupations	
Funen	5,418	73	1,061	2,404	1,880	1,890	34.88
Jutland	3,252	218	286	1,855	893	488	15.01
Zealand	12,257	440	3,514	6,855	1,448	3,620	29.53
Total	20,927	731	4,861	11,114	4,221	5,998	28.66
	Percentage of all occupations			Percentage of all Farmhands			
Funen	25.89	9.99	21.83	21.63	44.54	31.51	
Jutland	15.54	29.82	5.88	16.69	21.16	8.14	
Zealand	58.57	60.19	72.29	61.68	34.3	60.35	

	Dependen	it variable			
	Log wage				
	(1)	(2)	(3)	(4)	(5)
Farmhand x Serfdom	-0.351**		-0.255*		-0.394**
	[-2.322]		[-1.765]		[-2.561]
Farmhand x Period 1		-0.395*		-0.387**	
		[-1.895]		[-2.223]	
Farmhand x Period 2		-0.338*		-0.330*	
		[-2.093]		[-2.013]	
Farmhand x Period 3		-0.362**		-0.355**	
		[-2.380]		[-2.842]	
Farmhand x Period 4		-0.336*		-0.329**	
		[-1.914]		[-2.690]	
Farmhand x Post Vornedskab				0.00931	
				[0.0477]	
Observations	20,927	20,927	20,927	20,927	19,179
R-squared	0.644	0.649	0.644	0.644	0.548

#### Table 2: The main results – The introduction of Serfdom and wages.

**Notes:** This table shows the effect of serfdom on farmhand wages (measured as the natural logarithm of the daily wage). Columns (1), (3) and (5) show the results for the non-flexible model; the variable "serfdom" represents a dummy variable which takes the value of 1 in the period in which serfdom affected workers (1733-1799); unskilled is represented by laborers, day laborers and farm laborers; Post vornedskab is a dummy variable which takes the value of 1 during the working age of those affected by *vornedskab* (1717-1733); Columns (2) and (4) show the results for the flexible model: Period 1 is defined by the years 1733-1741, period 2 by 1742-1763, period 3 by 1764-1787 and period 4 by 1788-1799. All models include fixed effects for years, occupation, region, season, child, master (if craftsmen) and gender in columns (1)-(4). Column (5) excludes women. Jutland Funen year fixed effects are added in column 3; coefficients are reported with the robust t-statistics in parentheses (\*\*\* p<0.01, \*\* p<0.05, \* p<0.1); the standard errors are clustered at the estate level.

	Dependent varia	ble						
	Log wage							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Farmhand x Serfdom	-0.124	-0.349**	-0.350**	-0.351**	-0.300**	-0.345**	-0.316**	-0.361**
	[-0.735]	[-2.187]	[-2.397]	[-2.322]	[-2.527]	[-2.153]	[-2.26]	[-2.20]
Occupations excluded	None	None	None	None	Teachers	Carpenter	Farm servants	Bricklayer
Period	1705-1741	1705- 1763	1705-1787	Full	Full	Full	Full	Full
Observations	731	5,592	16,288	20,927	20,492	19,738	19,585	18,556
R-squared	0.76	0.679	0.655	0.644	0.652	0.652	0.64	0.63

#### Table 3: The introduction of Serfdom and wages – Robustness to different samples

**Notes:** The dependent variable is the natural logarithm of the daily wage. Serfdom represents a dummy variable which takes the value of 1 in the period in which serfdom affected workers (1733-1799); unskilled is represented by laborers, day laborers and farm laborers; the analysis is conducted for the period 1705-1799; Control variables are as in column (1) of Table 2; coefficients are reported with the robust t-statistics in parentheses (\*\*\* p<0.01, \*\* p<0.05, \* p<0.1); the standard errors are clustered at the estate level.

Dependent variable					
	Log wage				
	(1)	(2)	(3)	(4)	(5)
Farmhand x Serfdom	-0.277**	-0.284*	-0.267**	-0.220**	-0.148**
	[-2.190]	[-1.966]	[-2.266]	[-2.575]	[2.48]
Price of Barley (log)	0.0207				0.002
	[0.386]				[0.05]
Distance to Schleswig x Serfdom		0.00228			0.0029***
		[1.718]			[3.57]
Distance to market town x Serfdom			-0.0656**		-0.0017**
			[-2.179]		[2.10]
Distance to coast x Serfdom				-0.0552***	-0.0059***
				[-3.111]	[3.54]
Observations	18,459	20,927	20,927	20,927	18,459
R-squared	0.654	0.666	0.65	0.65	0.65

#### Table 4: The introduction of Serfdom and wages – Additional control variables

**Notes:** The dependent variable is the natural logarithm of the daily wage. Serfdom represents a dummy variable which takes the value of 1 in the period in which serfdom affected workers (1733-1799); unskilled is represented by laborers, day laborers and farm laborers; the analysis is conducted for the period 1705-1799; coefficients are reported with the robust t-statistics in parentheses (\*\*\* p<0.01, \*\* p<0.05, \* p<0.1); the standard errors are clustered at the estate level.

## Supplementary appendix (for online publication)

This supplementary appendix contains additional figures and tables mentioned in the main text.





**Notes:** The variables on the second axis are the natural log of wages for farmhands and other occupations respectively. The vertical lines represent 1730, 1733, 1742, 1764 and 1788 respectively.





**Notes:** The variables on the second axis are the natural logarithm of the prices of rye and the natural logarithm of farmhand wages. The vertical lines represent 1733, 1742, 1764 and 1788 respectively.

Figure A3: Farmhand wages on Zealand



**Notes:** The variable on the second axis is the natural logarithm of the wages for farmhands. The vertical lines represent 1730, 1733, 1742, 1764 and 1788 respectively.

Figure A4: Farmhand wages on Funen and Jutland



**Notes:** The variable on the second axis is the natural logarithm of the wages for farmhands. The vertical lines represent 1730, 1733, 1742, 1764 and 1788 respectively.



Figure A5: Share of observations with in-kind payments included in the wage, 1705-1799

#### Table A1: Existing empirical studies of serfdom

Study	Data	Findings	Type of serfdom
Cross-sectional design			
Domar and Machina (1984)	(Estimated) prices of serfs in Russian regions from different years in the period 1854-1858.	Unequal prices of serfs across Russian regions. Serf prices were different from zero indicating that serfdom was still profitable in the 1850s.	Russian serfdom
Klein and Ogilvie (2016)	Cross-sectional village level data for Bohemia for 1654	Presence of landholding of landlord/share of land held by landlord positively associated with more non-agricultural activity up to a point.	Multiple aspects, but proxy used is presence of landholding of landlord and thus the ability by the landlord to intervene in the lives of the serfs.
Ashraf et al. (2018)	Cross-sectional data for Prussia covering 1821-1848	Positive relationship between watermills and serf emancipation.	Emphasizes servile duties in empirical work.
Panel data			
Nafziger (2012)	Village level panel data for the Moscow province, 1876-1899	Some persistent negative effects after abolition of serfdom on labor mobility.	Russian serfdom – notes that restrictions on peasant mobility may not have ended as the commune took over the right to issue passports.
Malinowski (2016)	Populations for urban settlements in Poland, 1500-1772.	Urbans settlements with no legal protection of the peasantry had higher population when markets were not integrated.	Serfdom as a lack of legal protection of the peasantry against surplus extraction of landlords.
Buggle and Nafziger (2017)	Mainly Russian district level data for various years	Persistent negative effects of serfdom on well-being.	Russian serfdom

Markevich and Zhuraskay	Panel data for Russian provinces,	Positive effect of abolition of	Russian serfdom
(2018)	1800-1920.	serfdom on agricultural	
		productivity.	

Table A2: Empirical studies of other coercive labor market institutions

Study	Data	Findings
Naidu (2010)	Individual level data on the movements of tenants in Arkansas for 172 individuals. State level data on aggregate agricultural wages for 11 southern states.	Anti-enticement fines reduced mobility of share-croppers and aggregate agricultural wages.
Naidu and Yuchtman (2013)	District-level data on criminal prosecutions for breach of contract of employees for the UK for the years, 1858-1875. County-level wage data for 1851-1905.	Higher prices in an industry led to more prosecutions prior to 1875, County-level wages increased relatively more in counties with more prosecutions prior to 1876- the year in which criminal prosecutions for breach of contract was abolished.
Bobonis and Morrow (2014)	1910 Puerto Rican Census data for individual literacy, international coffee prices, and variation between non-coercive and coercive regimes during the 19 <sup>th</sup> century.	Education did not respond to changing coffee prices during the coercive regime. Education was reduced when coffee prices increased in the non- coercive regime.
Dippel, Greif and Treffler (2015)	Use country level data for 14 colonies British West Indies for the period 1838 to 1913 on wages for mobile agricultural workers, sugar export shares, and legal coercion.	Higher sugar export shares associated with lower wages and higher sugar prices associated with higher wages.
Bishnu and Swamy (2017)	Panel data for seven districts on migration to the Assam plantations in India and the price of tea	Higher tea prices are associated with higher migration, but if more coercive contracts are used in a district, this response is weakened.

Table A3: The	years available	for each re	gion and estate
	,		0.0

Region and estate	Period included
Zealand	1706-1799
Giesegaard	1721-1799
Bregentved (1746-1800)	1746-1799
Gisselfeld Household (1706 1740)	1706-1740
Holsteinborg (1748-1800)	1748-1799
Fuirendal (1756-1795)	1756-1795
Sorø Academy (1740-1800)	1740-1799
Løvenborg (1752-1794)	1752-1794
Gauno (1751-1800)	1751-1799
Juellinge (1726-1748)	1726-1749
Funen	1723-1799
Taasinge (1725-1800)	1725-1799
Frederiksgave 1773-1800	1733-1799
Erholm Søndergade (1723-1800)	1723-1799
Jutland	1705-1799
Frijsenborg (1777-1800)	1777-1799
Støvringgard (1734-1800)	1734-1799
Lindenborg (1714-1799)	1714-1799
Odden (1705-1732)	1705-1732

#### Table A4: Occupations with at least one 100 observations

Occupation	HISCO	Observations	Percentage of full dataset
Laborer	99910	2,709	12.94
Day laborer	99920	2,421	11.57
Bricklayer	95120	2,371	11.33
Painter	93120	2,105	10.06
Carpenter	95410	1,189	5.68
Thatcher	95360	927	4.43
Agricultural laborer	62105	868	4.15
Dairy worker	62510	679	3.24
Gardener	62740	597	2.85
livestock worker	62400	534	2.55
Joiner	95420	483	2.31
Stone mason	95140	462	2.21
Farm servant	62120	455	2.17
Teacher	13940	435	2.08
farm supervisor	22520	410	1.96
Coachman	98620	350	1.67
servant at home	54010	332	1.59
Gamekeeper	64960	307	1.47
Forest Supervisor	63220	283	1.35
Paviour	95160	275	1.31
Washerwoman	56010	249	1.19
barn bailiff	21990	242	1.16
stone cutter	82020	220	1.05
Logger	63110	201	0.96
Animal-Drawn Vehicle Driver (Road)	95910	177	0.85
Cook	53100	162	0.77

stone splitter	71220 140	0.67
Guard	58940 128	0.61
Housekeeper	22430 114	0.54

#### Table A5: Descriptive statistics for main variables

Variable	Observations	Mean	Std. Dev.	Min	Max
Individual level controls					
log (day) wages	20,927	2.536	0.820	-2.526	5.951
Share farmhands	20,927	0.287	0.452	0.000	1.000
Share of data from Jutland and Funen	20,927	0.414	0.493	0.000	1.000
Share of women	20,927	0.084	0.277	0.000	1.000
Share of children	20,927	0.064	0.245	0.000	1.000
Estate level controls					
log barley price	18,459	5.189	0.314	4.159	5.951
Distance to market town (in km)	20,927	10.567	5.004	3.600	22.931
Distance to coast (in km)	20,927	7.109	6.192	0.192	22.340
Distance to Schleswig/Holstein (in km)	20,927	134.191	55.211	66.230	343.437
Productivity adjusted size (in tønder hartkorn)	20,927	140.588	116.476	38.000	547.000

Dependent variable			
log wage	_		
	_		
Farmhand x 1710-1714	0.308	Farmhand x 1755-1759	-0.294*
	[1.744]		[-1.908]
Farmhand x 1715-1719	0.609	Farmhand x 1760-1764	-0.291*
	[1.304]		[-1.879]
Farmhand x 1720-1724	0.0432	Farmhand x 1765-1769	-0.146
	[0.364]		[-0.875]
Farmhand x 1725-1729	0.0297	Farmhand x 1770-1774	-0.158
	[0.130]		[-1.206]
Farmhand x 1730-1734	-0.0789	Farmhand x 1775-1779	-0.250**
	[-0.401]		[-2.152]
Farmhand x 1735-1739	-0.272	Farmhand x 1780-1784	-0.467***
	[-1.212]		[-3.278]
Farmhand x 1740-1744	-0.658***	Farmhand x 1785-1789	-0.400***
	[-4.439]		[-3.405]
Farmhand x 1745-1749	-0.409**	Farmhand x 1790-1794	-0.296*
	[-2.482]		[-2.016]
Farmhand x 1750-1754	-0.174	Farmhand x 1795-1799	-0.18
	[-1.024]		[-1.558]

Note: This table shows the flexible estimates for the effect of a being a farmhand on wages over five-year periods. The time intervals indicate dummy variables, which are interacted with a farm hand dummy. The estimation sample consists of 20,927 observations. Coefficients are reported with the robust t-statistics in parentheses (\*\*\* p<0.01, \*\* p<0.05, \* p<0.1); the standard errors are clustered at the estate level.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Farmhand x Serfdom	-0.505***	-0.297*	-0.340**	-0.366*	-0.351***	-0.351***	
	[-8.477]	[-1.976]	[-2.242]	[-2.08]	[-4.058]	[-2.622]	
Farm laborer x Serfdom							-0.419**
							[-2.296]
Laborer x Serfdom							-0.340*
							[-1.939]
Day laborer x Serfdom							-0.257**
							[-2.535]
Observations	8,670	12,257	21,557	19,585	20,927	20,927	20,927
R-squared	0.779	0.603	0.656	0.551	0.649	0.649	0.649

#### Table A7: The introduction of Serfdom and wages – Additional robustness checks.

**Notes:** The dependent variable is the natural logarithm of the daily wage. Columns (1) and (2) run the baseline model for Jutland & Funen and Zealand respectively; column (3) uses the full sample from 1661 to 1805, column (4) excludes children; Column (5) cluster at the occupation level and column (6) cluster at the combined occupation and estate level respectively; column (7) splits the main variable into three types of laborers used to code farmhand. All models include fixed effects for years, occupation, region, season, child (excluded in column 3), master (if craftsmen) and gender in columns (1)-(7). Coefficients are reported with the robust t-statistics in parentheses (\*\*\* p<0.01, \*\* p<0.05, \* p<0.1); the standard errors are clustered at the estate level except in (5), which clusters at the occupational level only.

	(1)	(2)	(3)	(4)	(5)	(6)
Farmhand x Serfdom				-0.299**	-0.360**	-0.353**
				[-2.498]	[-2.173]	[-2.320]
Head teacher x Serfdom	1.923***			1.838***		
	[4.480]			[4.261]		
Brick layer x Serfdom		0.025			-0.062	
		[0.109]			[-0.240]	
Carpenter x Serfdom			-0.15			-0.192
			[-0.627]			[-0.797]
Observations	20,927	20,927	20,927	20,927	20,927	20,927
R-squared	0.65	0.648	0.648	0.65	0.649	0.649

#### Table A8: The introduction of Serfdom and wages – Effects on other groups

**Notes:** The dependent variable is the natural logarithm of the daily wage. The table interacts alternative occupations with the serfdom dummy. Columns (1) to (3) show the results without controlling for the farmhand dummy, whereas the (4) to (6) include the farmhand dummy. Coefficients are reported with the robust t-statistics in parentheses (\*\*\* p<0.01, \*\* p<0.05, \* p<0.1); the standard errors are clustered at the estate level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Farmhand x Period 1	-0.158**		-0.231**				-0.401*	
	[-2.701]		[-2.273]				[-1.917]	
Farmhand x Period 2	-0.0139		-0.0864				-0.352*	
	[-0.172]		[-0.981]				[-2.091]	
Farmhand x Period 3	-0.0599		-0.139*				-0.377**	
	[-0.861]		[-1.985]				[-2.362]	
Farmhand x Period 4	-0.0226		-0.131				-0.342*	
	[-0.207]		[-1.220]				[-1.906]	
Farmhand x Serfdom		-0.0445		-0.124*				-0.363**
		[-0.717]		[-1.866]				[-2.301]
Farmhand_alt x Period 1					-0.594***			
					[-4.524]			
Farmhand_alt x Period 2					-0.351*			
					[-1.841]			
Farmhand_alt x Period 3					-0.270*			
					[-1.760]			
Farmhand_alt Period 4					-0.174			
					[-1.236]			
Farmhand_alt x Serfdom						-0.269*		
						[-1.814]		
Observations	20,927	20,927	18,459	18,459	20,927	20,927	20,927	20,927
R-squared	0.669	0.67	0.671	0.671	0.67	0.67	0.649	0.65

#### Table A9: The introduction of Serfdom and wages – Estate Fixed Effects and estate time invariant control variables

**Notes:** The dependent variable is the natural logarithm of the daily wage. Columns (1), (3) and (7) show the results for the non-flexible model; the variable "serfdom" represents a dummy variable which takes the value of 1 in the period in which serfdom affected workers (1733-1799); unskilled is represented by laborers, day laborers and farm laborers; Columns (2), 4) and (8) show the results for the flexible model: Period 1 is defined by the years 1733-1740, period 2 by 1741-1763, period 3 by 1764-1787 and period 4 by 1788-1799. Columns (5) and (6) use only farm laborers. The models in columns (1) to (6) include fixed effects for years, occupation, estate, season, child, master (if craftsmen) and gender. Columns (3) and (4) control for barley prices. Columns (7) and (8) use regional fixed effects (and not estate fixed effects) and add distance to a market town, distance the coast, distance to Schleswig and productivity adjusted size of the estate; coefficients are reported with the robust t-statistics in parentheses (\*\*\* p<0.01, \*\* p<0.05, \* p<0.1); the standard errors are clustered at the estate level.

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