

German Migration, Diffusion of Ideas and the Rise of the American Labor Movement

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The American Exceptionalism Narrative

- The US is traditionally viewed as having inherently weak unions, high monopsony, and high wage inequality (Freeman, 1998; Western & Rosenfeld, 2011).
- Early Worker Solidarity: Contradicting this, the mid-19th century Knights of Labor showed more solidarity than European peers (Voss, 1994):
 - *Across genders*: women admitted, in their own and in mixed assemblies
 - *Across nationalities and races*: immigrant and Black workers organized
 - *Across skill levels*: skilled crafts alongside the unskilled (up to 43% of locals)
- What contributed to the rise of the Knights of Labor?

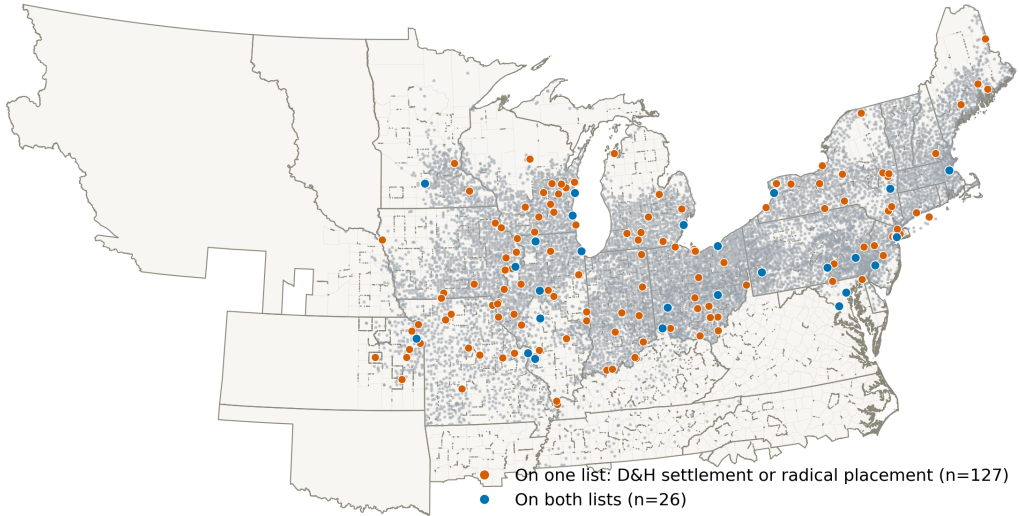
The German Brotherhood of Workers (1848–1850)

- The 1848 Revolution had a significant social component (Noyes, 1966)
- 1848 congresses of workers crystallized into the Brotherhood of Workers (Balser, 1962)
- Movement was banned and prosecuted across the German states, pushing part of its leadership to emigrate to the US
- I collect lists of suspects and track them in the US



Source: Balser (1962)

Radical-Linked Towns in the Analysis



Data Sources

- **Levels of the analysis:** town, county, surname-county pair
- **Dependent variables:**
 - Knights of Labor assemblies by town/county, 1869–99 ([Powderly Papers](#))
 - Knights of Labor local leadership lists ([Powderly Papers Collection](#))
 - Establishment strikes by town, 1881–86 ([Wright 1887](#))
- **Treatment & linkage:**
 - 48ers: Self-digitized lists of suspects + ([D&H, 2021](#)) list
 - Union Army: soldiers from state Adjutant-General Registers; unit assignments from ([Dyer's Compendium, 1908](#))

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Identification I: Settlement at the town level

$$y_i = \beta \cdot D(\text{Forty-Eighter}_i > 0) + \mathbf{X}_i' \delta + \eta_c + \epsilon_i \quad (1)$$

- y_i : Knights of Labor assemblies and Wright strikes in town i
- $D(\text{Forty-Eighter}_i > 0)$: indicator that a *Forty-Eighter* settled in the town by 1856
- $\mathbf{X}_i$: [Dippel & Heblich \(2021\)](#) controls¹
- η_c : county fixed effects
- Standard errors: Conley (100km) spatial HAC

¹Full 28-control set: (i) German settlement & migration; (ii) geography & market access; (iii) Fishlow 1850 demographic shares; (iv) 1840–50 population & composition changes; (v) 1860 census town characteristics (property, schooling, labor force).

Settlement Results: Labor Assemblies

	OLS		2SLS: 48er ships
	Any KoL (1)	log KoL (2)	log KoL (3)
Radical-linked town	0.191*** (0.044)	0.494*** (0.110)	0.967*** (0.282)
Treated towns	153	153	73
Full D&H Controls	Y	Y	
D&H IV Controls			Y
County FE	Y	Y	
First-stage F			14.6
N Obs	11,640	11,640	11,641

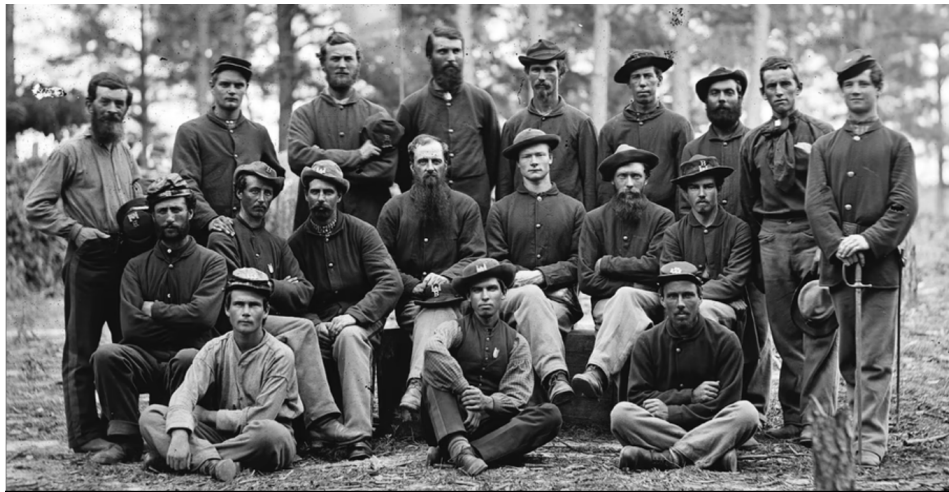
Notes: Conley (100km) SEs in parentheses. Cols. (1)–(2): +19pp any KoL, $\approx 64\%$ more assemblies. Col. (3): settlement instrumented with 48er ship-voyage destinations; state-clustered SEs. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Settlement Results: Strikes

	OLS		2SLS: 48er ships
	Any Strike (1)	log Strikes (2)	log Strikes (3)
Radical-linked town	0.169*** (0.035)	0.319*** (0.069)	0.627* (0.334)
Treated towns	153	153	73
Full D&H Controls	Y	Y	
D&H IV Controls			Y
County FE	Y	Y	
First-stage F			14.6
N Obs	11,640	11,640	11,641

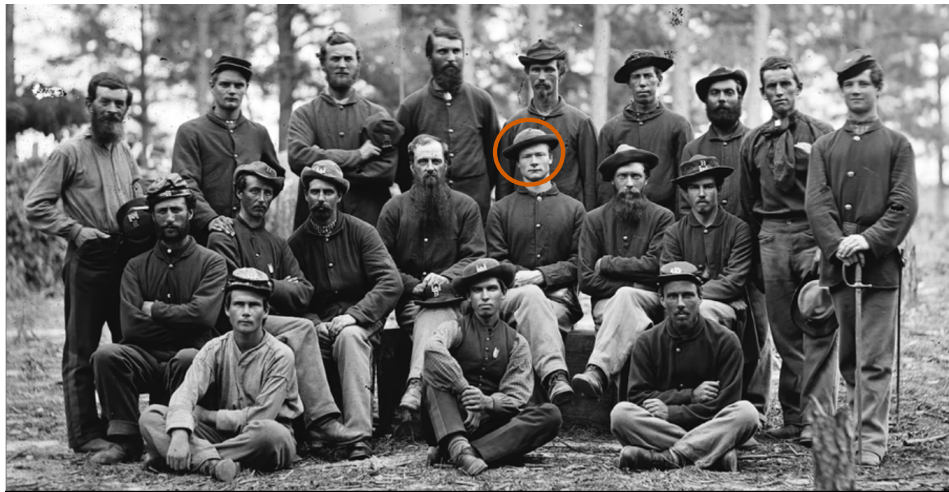
Notes: Conley (100km) SEs in parentheses. Cols. (1)-(2): +17pp any strike 1881-86, $\approx 38\%$ more strikes. Col. (3): settlement instrumented with 48er ship-voyage destinations; state-clustered SEs. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

The Union Army as a Melting Pot



Company B, U.S. Engineer Battalion, Petersburg, Va., August 1864 (Library of Congress, LC-DIG-cwpb-03893).

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Identification II: Diffusion at the County Level

$$Y_c = \beta \text{RadicalShare}_c^{(z)} + \gamma' X_c + \delta_{s(c)} + \varepsilon_c$$

- Y_c : county c hosts any KoL assembly / $\log(1+\text{assemblies})$
- $\text{RadicalShare}_c^{(z)}$: share of the county's residence-placed veterans who served in the same company as a named radical from a *different* home county (leave-self-out; z-scored)
- Sample: counties with ≥ 50 placed veterans and *no radical placed in the county*
- X_c : German population share, log population 1860, latitude, longitude
- $\delta_{s(c)}$: state fixed effects
- Standard errors: Conley (100km) spatial HAC

Diffusion Results

	Any KoL assembly (1)	log KoL (2)
Cross-county radical share (z)	0.072*** (0.022)	0.147*** (0.049)
Geographic controls	Y	Y
State FE	Y	Y
Mean dep. var.	0.62	—
N counties	379	379

Note: estimated on counties with *no radical placed by any source* (drops 66 of 445). Treatment is continuous: +1 SD = 3.2 pp more of the county's veterans with a cross-county radical company mate (raw share: mean 1.4%, max 29.6%), raising P(any KoL assembly) by 7.2 pp against a 62% base. Generic German exposure (80× larger placebo set): null in all 24 estimates. *** $p < 0.01$

Treatment distribution

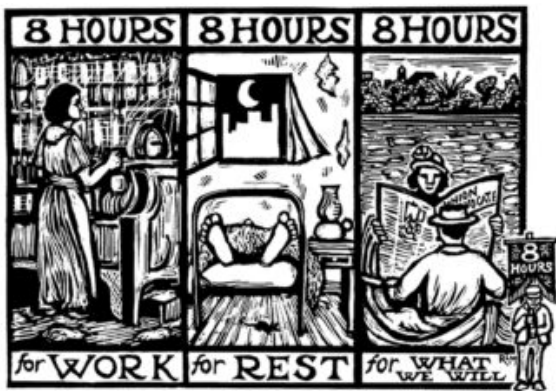
Conclusion

- *Forty-Eighter* towns developed more Knights of Labor assemblies
- The ideas traveled through the Union Army
- The effect is carried by radical *content*, not generic German contact
- radical-town KoL persist into AFL local; generic KoL presence does not
- In the paper, I also test ([Voss, 1994](#)) hypothesis for the demise of the Knights

Thank you!

Comments or Suggestions?

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Appendix