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Middleman Minorities and Ethnic Violence:
Anti-Jewish Pogroms in the Russian Empire

Abstract

We present evidence to reconcile two seemingly contradictory observations: on the one hand, minorities often choose middleman occupations, such as traders and moneylenders, to avoid competition with the majority and, as a consequence, avoid conflict; on the other hand, middleman minorities do become the primary target of persecution. Using panel data on anti-Jewish pogroms in Eastern Europe between 1800 and 1927, we document that ethnic violence broke out when crop failures coincided with political turmoil. Crop failures without political turmoil did not cause pogroms. At the intersection of economic and political shocks, pogroms broke out in places where Jews dominated moneylending and trade in grain. This evidence is consistent with the following mechanism. When political situation was stable, negative economic shocks did not instigate pogroms because the majority valued future services of Jewish middlemen. In contrast, in times of a sharp increase in political uncertainty, Jewish middlemen became the primary target of mob violence following an economic shock as the value of their future services fell. Peasants organized pogroms when they could not repay loans to Jewish creditors and urban dwellers turned against Jews blaming Jewish traders for an increase in grain prices.