

INAF U6164:

Political Economy of  
Development:  
Africa and the World

Week 5: Legacies of Slavery and  
Colonialism

Instructor: Chris Blattman

# Logistics

- Written assignment 2, due Feb 25
- Note revised readings for next week
- Midterm Week 8 (March 12)
- For those with SIPA projects
  - Email me and cc your program director
  - Makeup midterm, probably March 25 at 4pm

# The “first era of globalization”, 1500-1870



# 1000-1800: Slow but steady advances in European technology and productivity

- Agriculture
- Commerce and banking
- Shipping and transport
- Weapons of war



# Financial and commercial innovation underpins advances in trade, shipping, taxation, war and bureaucracies

## Key innovations:

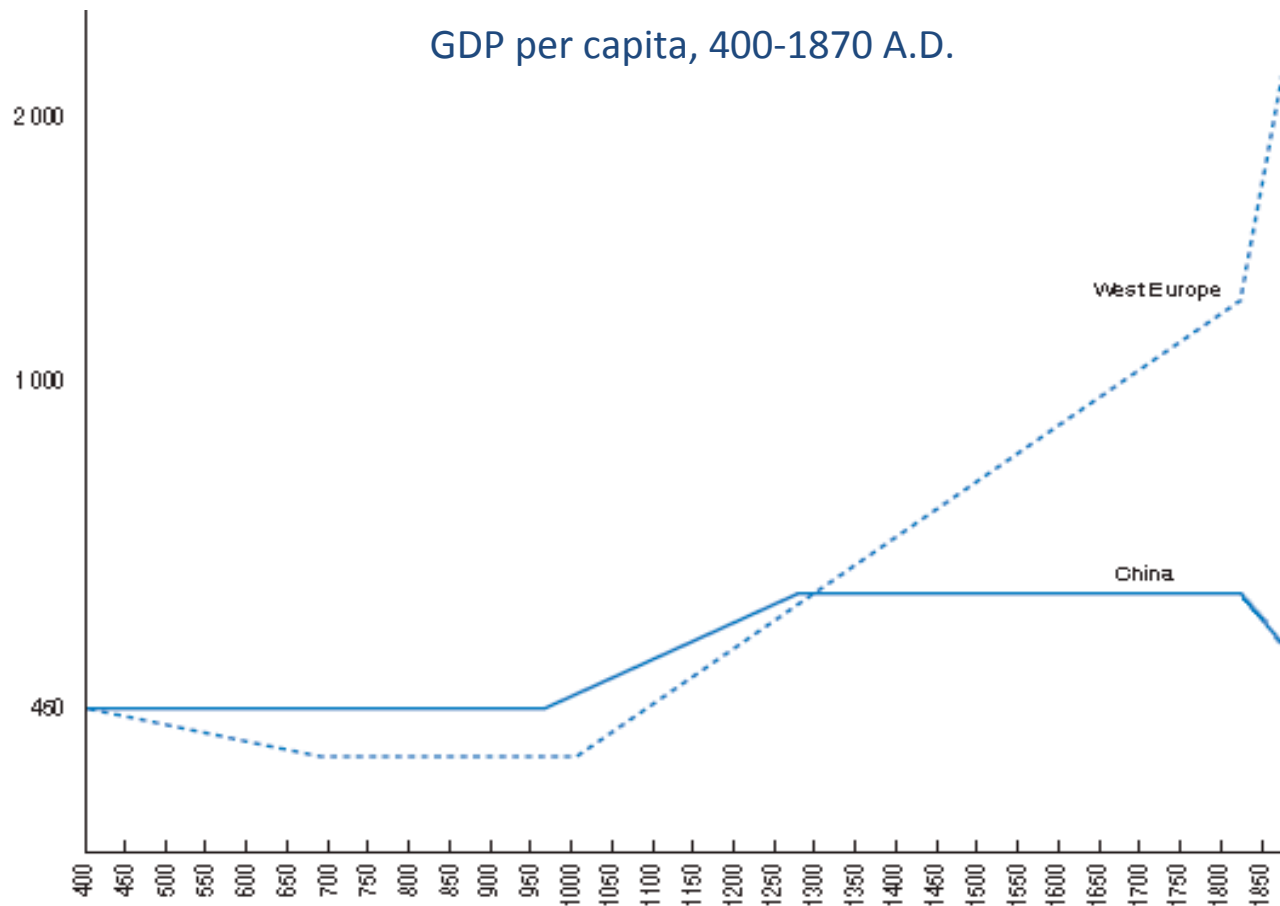
- Banking
- Accountancy
- Foreign exchange & credit markets
- Solvent system of public finance

Instrumental in establishing economic empires, from Venice to Dutch to British



# Tied to unprecedented income growth, 1500-1870

- Consequence: Rising demand for consumer goods, raw materials and inputs, and markets for production



# “The Age of Discovery”

*Cantino planisphere, 1502*



# Cheaper, faster, more reliable transport drives trade and communication



- Sail ships (1500s) and steam ships (late 1800s) extend reach of European & US trade
- Canals and rivers opened up some of interior Europe & US
- Rail (late 1800s) and roads open up vast interior
  - Increase supply of commodities
  - Larger markets
- Cost of transport and trade plummets, consumption increases
- Speed of communication increases



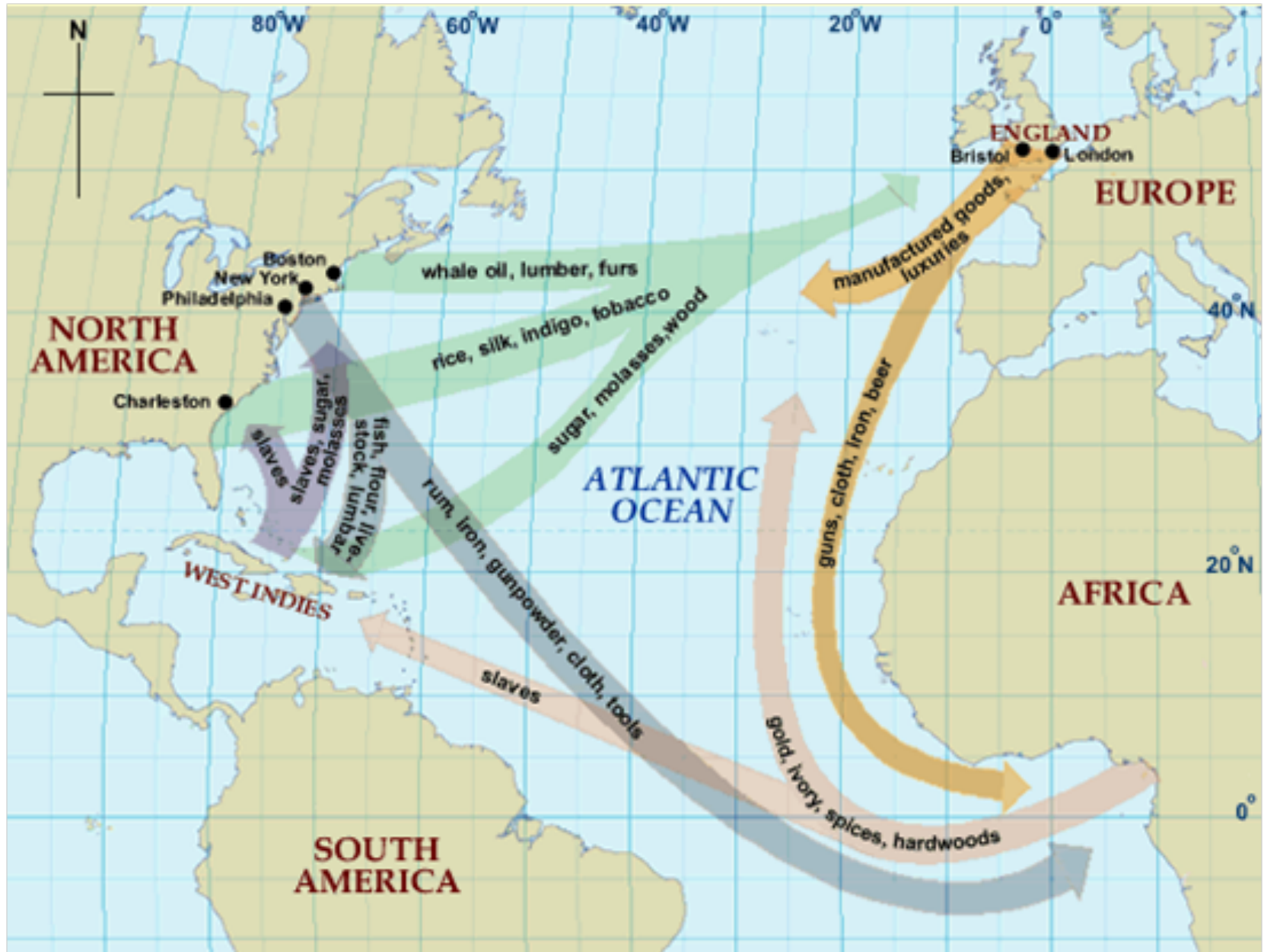
## The flip side:

Technological change and European expansion is transforming and destabilizing world economy and traditional societies

# Europeans drive a dramatic expansion of global commercialization & trade

- European traders and states have clear objectives:
  - Stable access to supplies of primary commodities
  - Guarantee sufficient quantities
  - Market for manufactures
- Other (lesser?) motivators
  - God
  - Glory

# Later: The “triangular trade”





# Trade companies drive first 200-300 years of exploration, trade, diplomacy and settlement

- Trade companies were granted powers to treat with other polities and wage war
- If necessary:
  - Eliminate competition (European or local)
  - Force nations into trade and production
  - Destroy independent polities
  - Elevate friendly interests to positions of power
  - Restrict or undermine local production of manufactures

# Profoundly disruptive of societies, states, and balances of power

- New goods
- New livelihoods
- New technologies
- New war machines
- New diseases
- New gods
- New institutions
- New worldviews
- New allies



# Example: Privatization and concentration of land tenure

- Europeans encountered agrarian societies
  - Often subsistence production
  - Land the basis of power, social organization, and control
- Large-scale cash crop production required new systems of tenure and control
  - Privatization
  - Concentration
- Advertently or inadvertently, social organization and control were transformed



# e.g. The unintended consequences of colonial land and tax policy in India

Banerjee and Iyer 2005

- British collect land revenues through cultivators in some districts and empowered a landlord (*Zamindari*) in others
  - Where they reinforced a non-landlord system, wheat yield is +23% and infant mortality -40% today
- Lessons:
  - Disruptive, transformative nature of land and tax policy
  - Unintended, unpredictable long term consequences (and the power of institutional overhang)



Zamindar of Nattathi



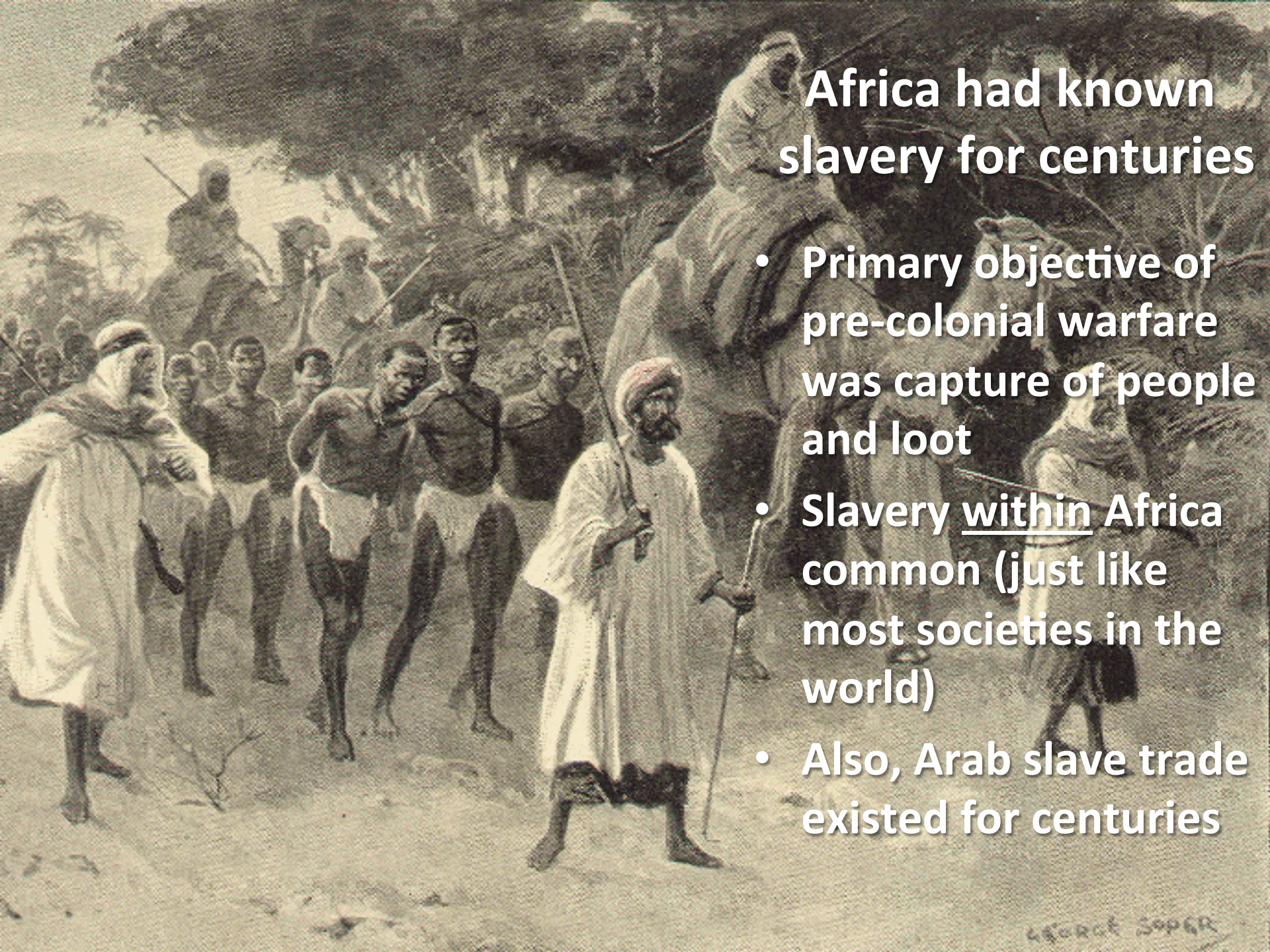
# Broader point: Globalization wrought profound social change and upheaval

- Strong societies with strong systems of social control and adapted strategies for survival found themselves weak and struggling to find new strategies and systems of control
- Implications
  - Rising inequality and social stratification
  - New sources of and claims to power
- Different societies were affected by (and responded to) this upheaval differently
- European policies had large and largely unpredictable effect (often unintended) on long term development
  - e.g. Banerjee & Iyer India example



One of the most  
profound sources  
of upheaval:

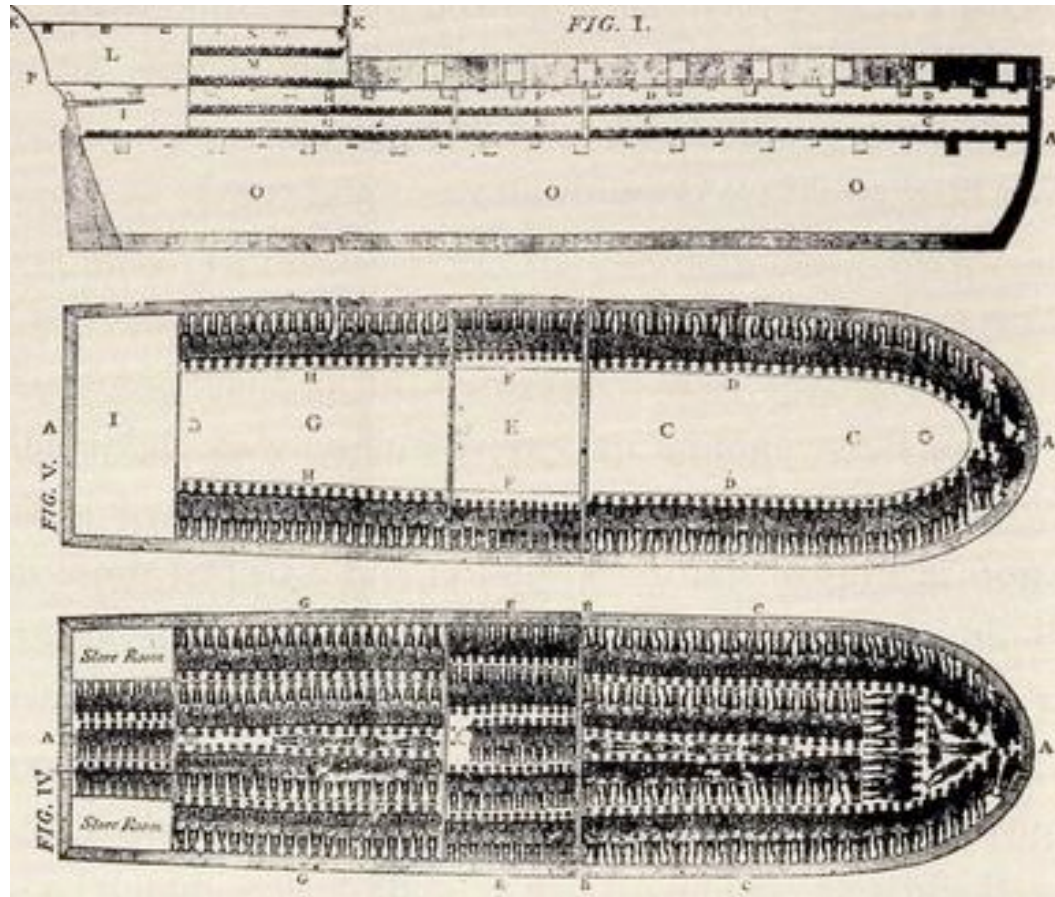
The African  
slave trade



## Africa had known slavery for centuries

- Primary objective of pre-colonial warfare was capture of people and loot
- Slavery within Africa common (just like most societies in the world)
- Also, Arab slave trade existed for centuries

# After 1500, the internal and Arab slave trade was overtaken by the Atlantic trade



Arab /eastern slave trade:

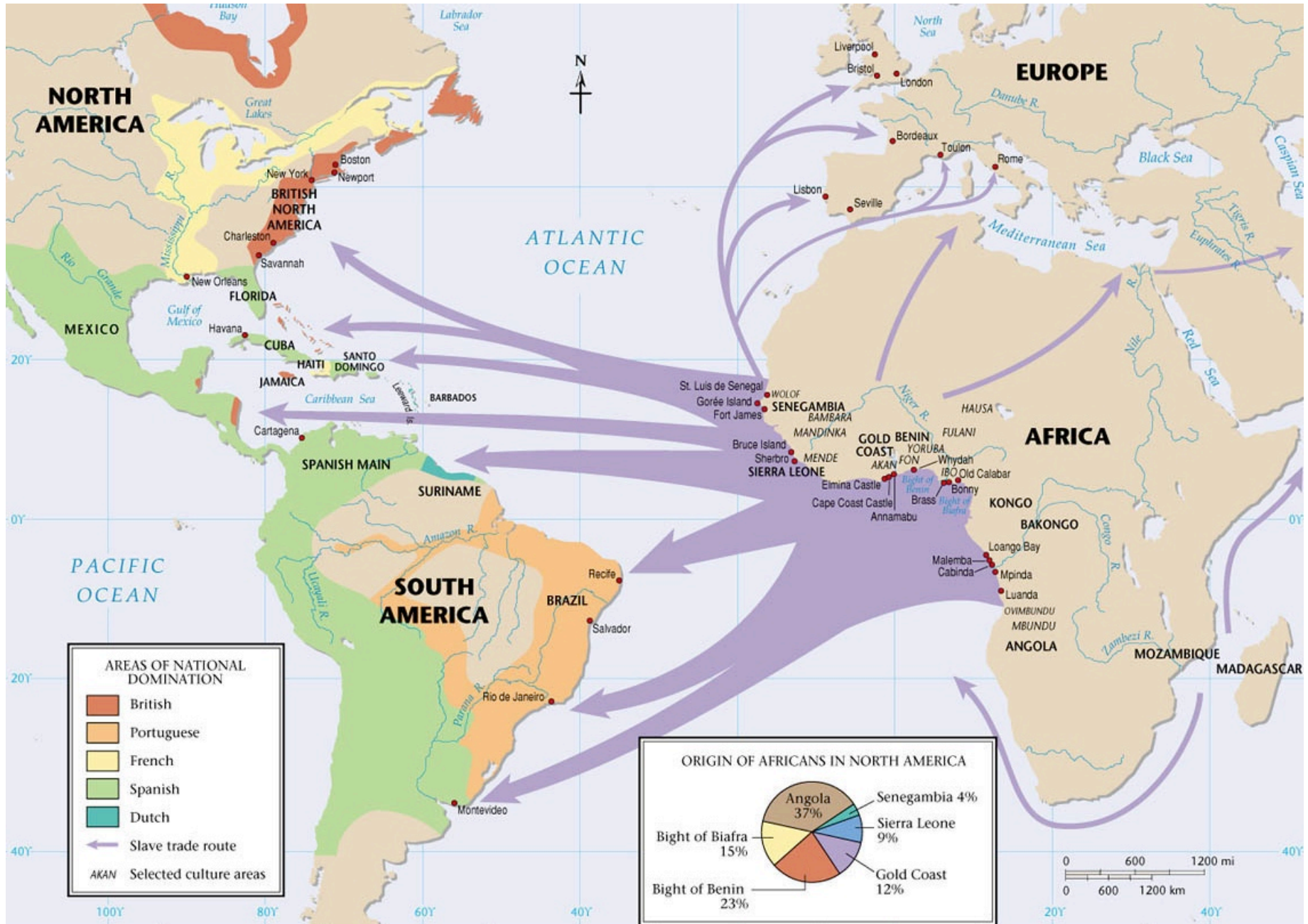
- Est. 7 million shipped

Atlantic slave trade:

- Est. 9-12 million shipped
- (Roughly half by Portugal)

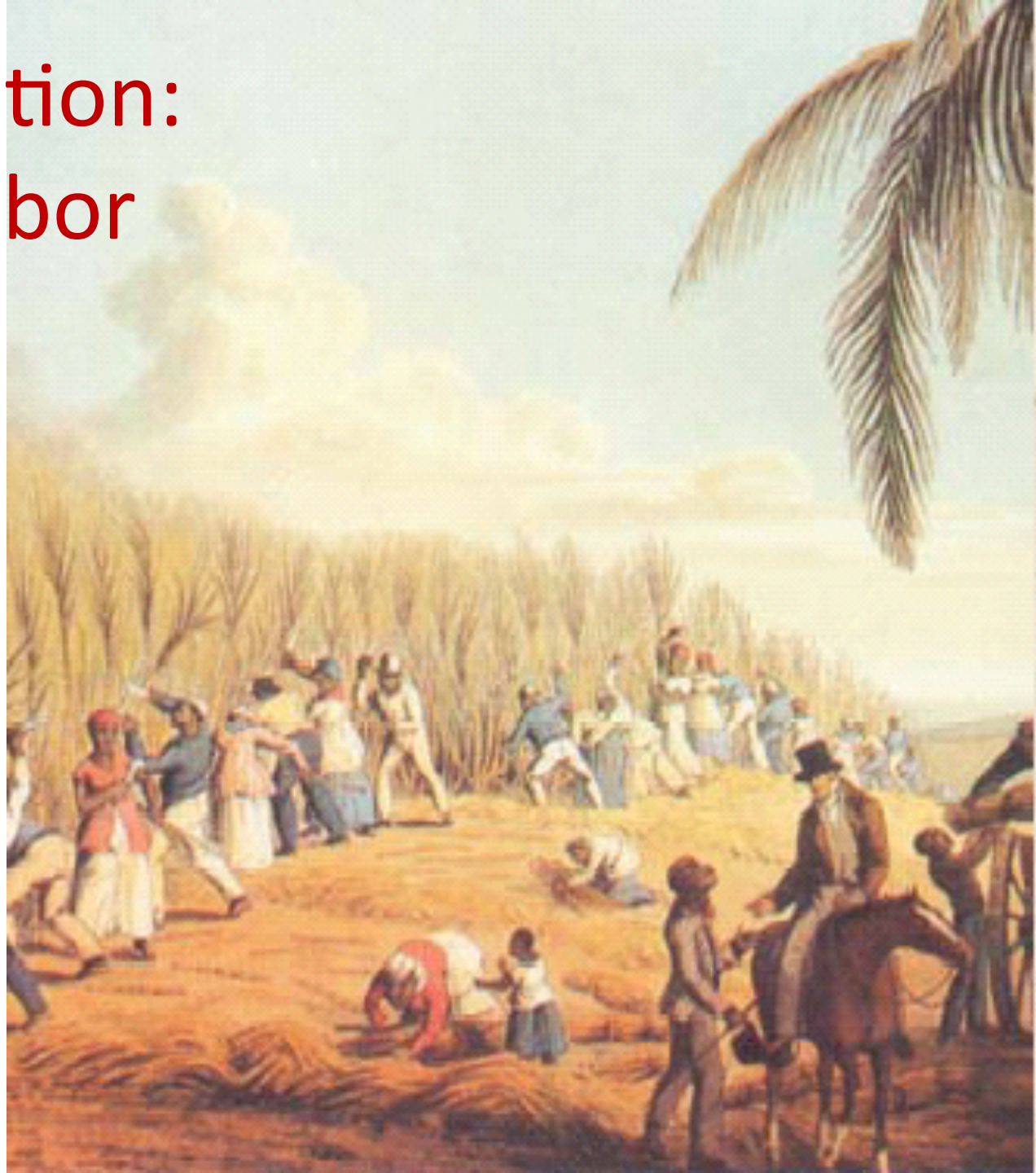
(Number killed in raids or before shipment unknown)

# Primary destination was South America and Caribbean



# Main motivation: Plantation labor

- 90% of slaves worked on sugar plantations
- Also, cotton and coffee
- Slave trade fed European sugar and caffeine addiction



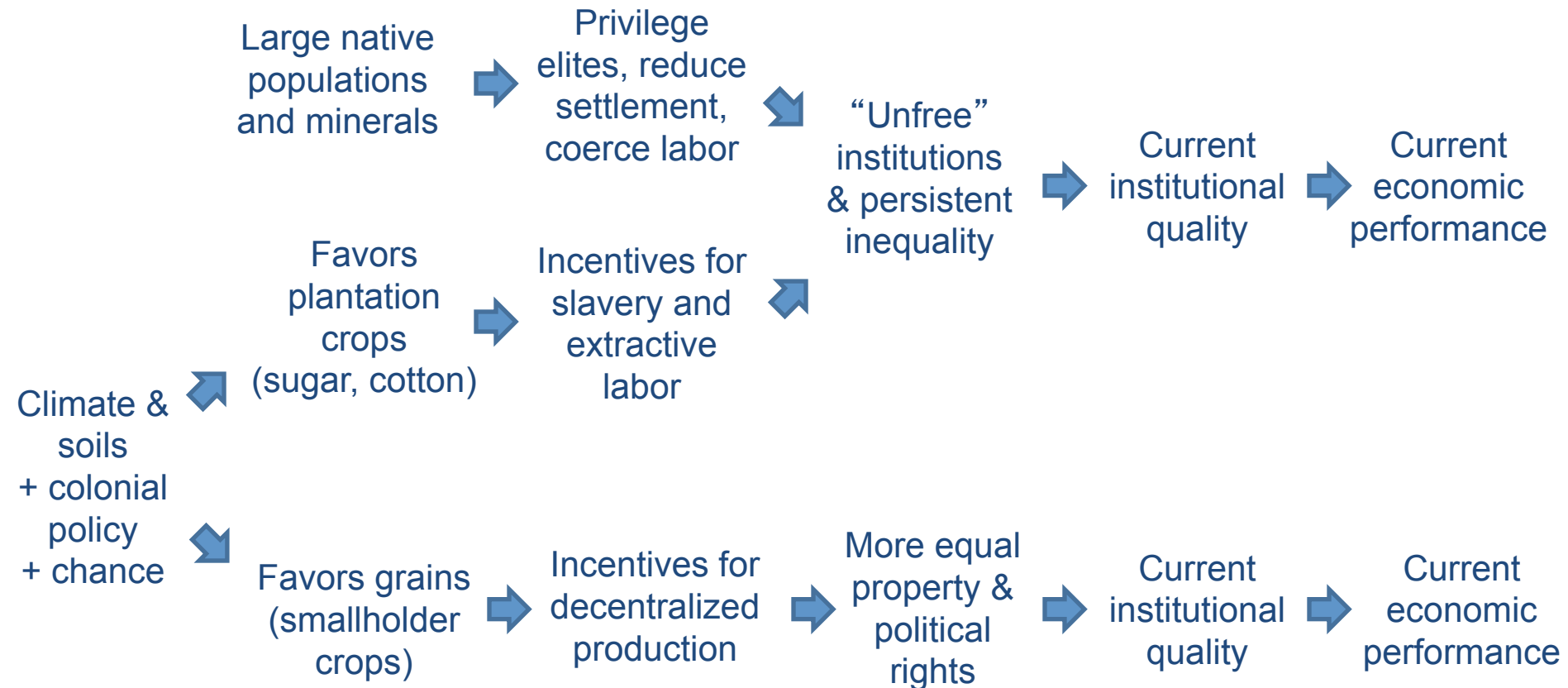
What were the effects of the  
slave trade?

On the origin countries?

On the destination countries?

# Destination countries: Engerman & Sokoloff

Legacy is the tilt towards persistent inequality and unfree institutions





# What of the origin countries?

Regions (ethnic groups) most affected by the slave trades

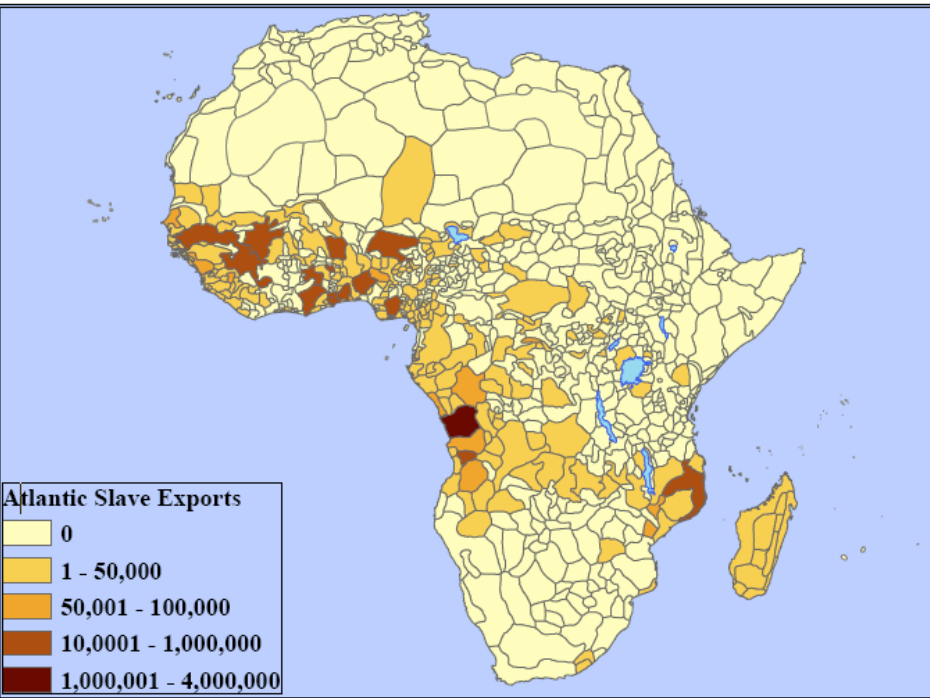


Figure 2. Ethnicities Shipped During the trans-Atlantic Slave Trade.

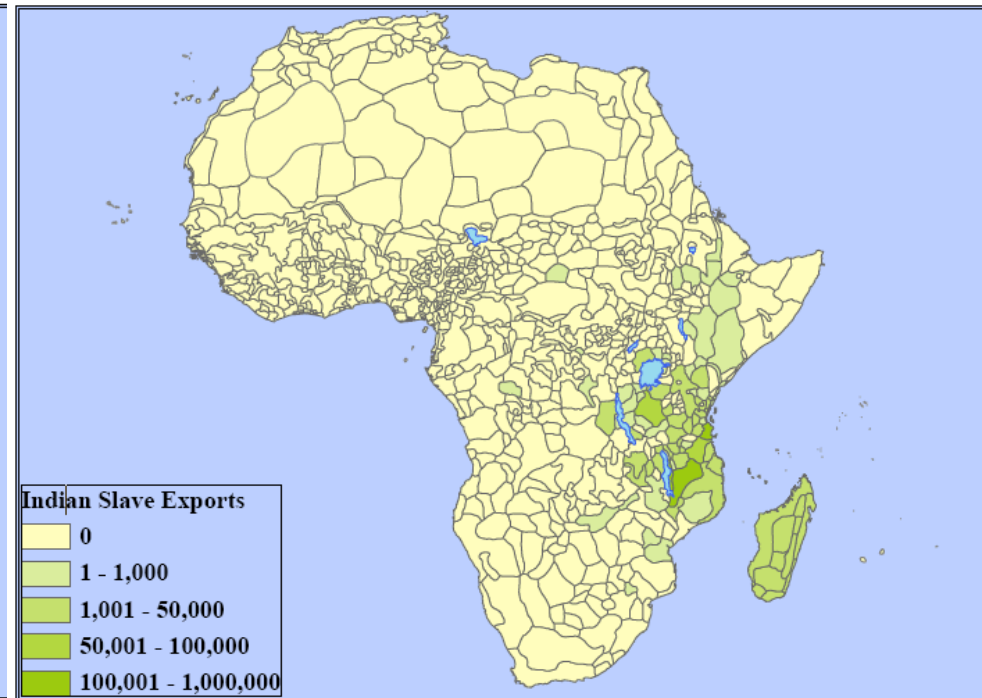


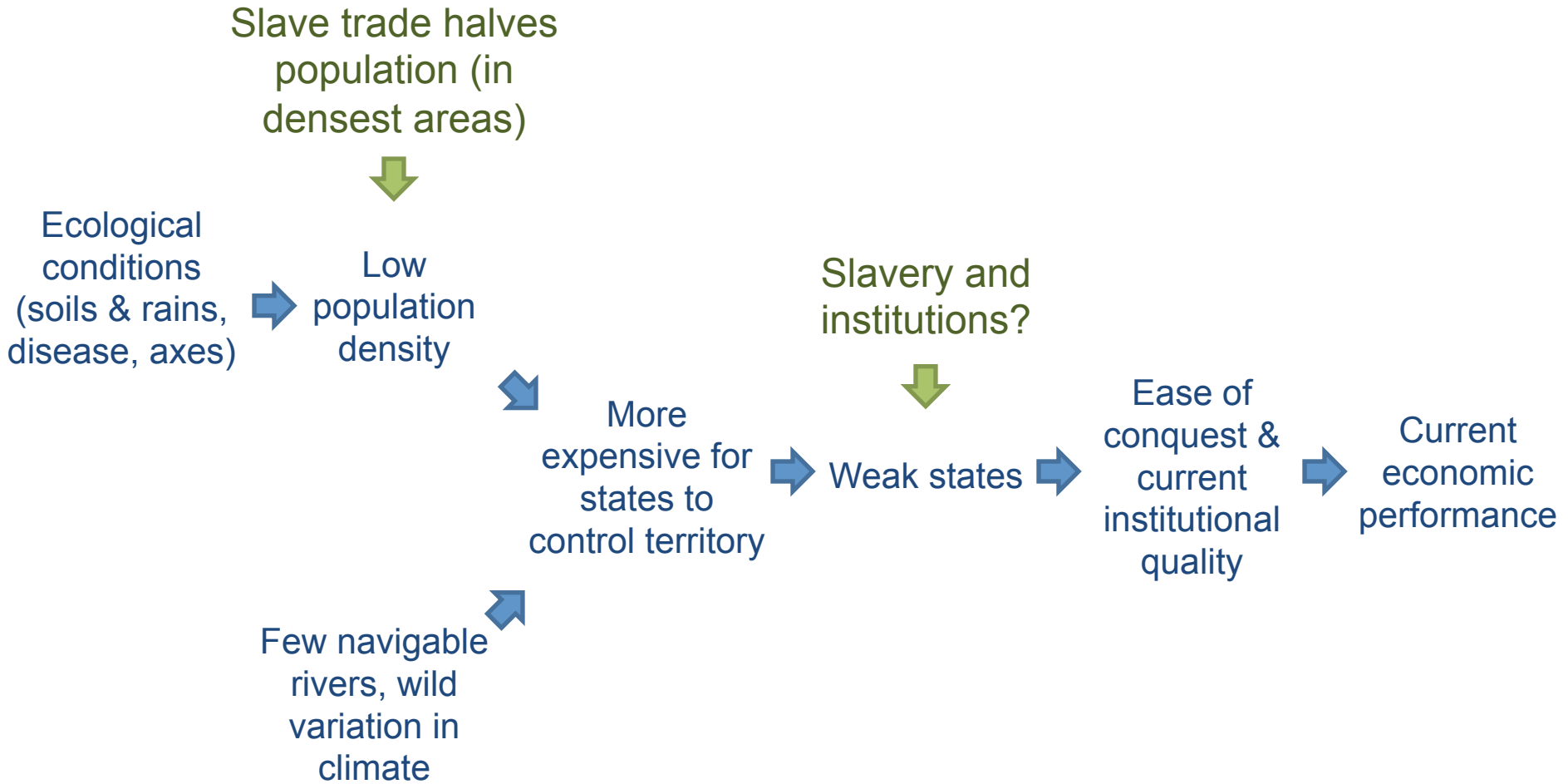
Figure 3. Ethnicities Shipped During the Indian Ocean Slave Trade.

## Dire demographic consequences:

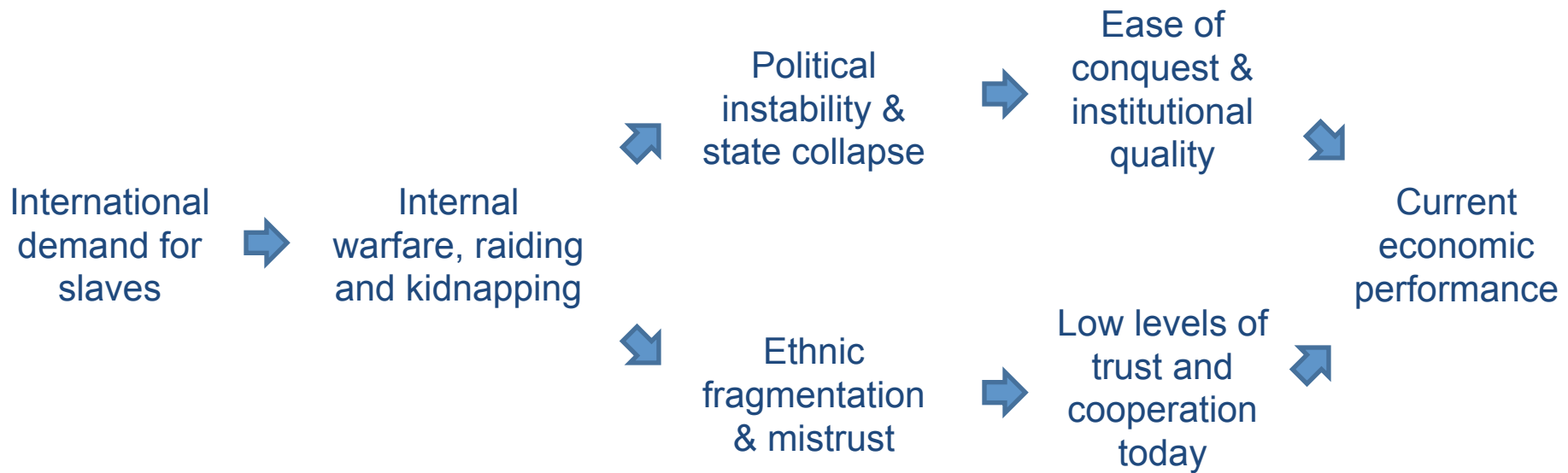
By 1850, Africa's population believed to be half of what it would have been had the slave trades not taken place.

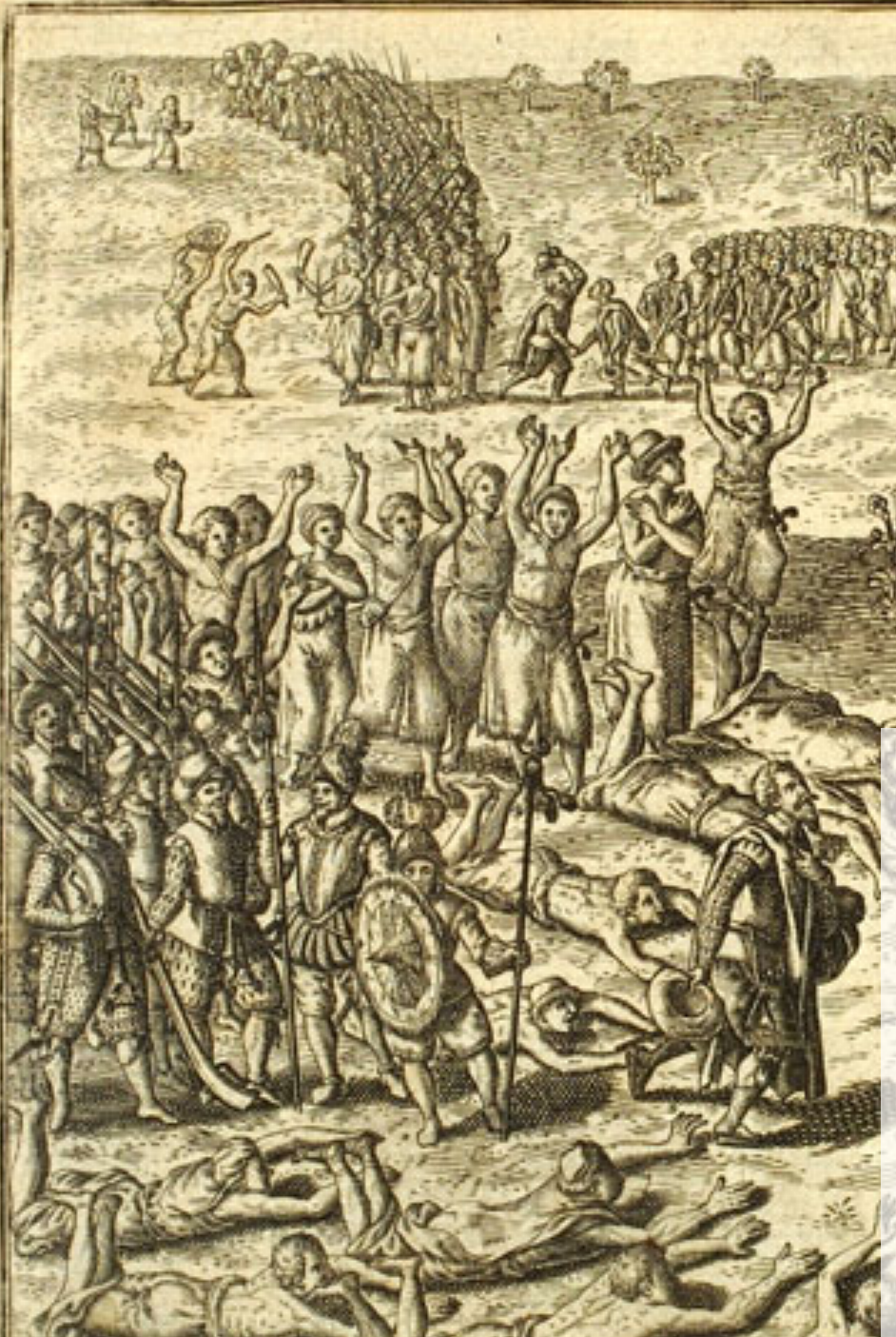
# The development impact of depopulation

## The slave trade and development in the Herbst model



# Nathan Nunn (+ many historians): The slave trade undermined African institutions





***“There are many traders in all corners of the country. They bring ruin to the country. Every day people are enslaved and kidnapped, even nobles, even members of the king’s own family”***

**— Affonso, King of Kongo, writing to the Portugese king in 1526  
(Vansina 1966, p. 52)**

# The greater the slave trade, the lower is income per capita today

Causal? What if the poorest areas were ones that were most vulnerable to slavery?

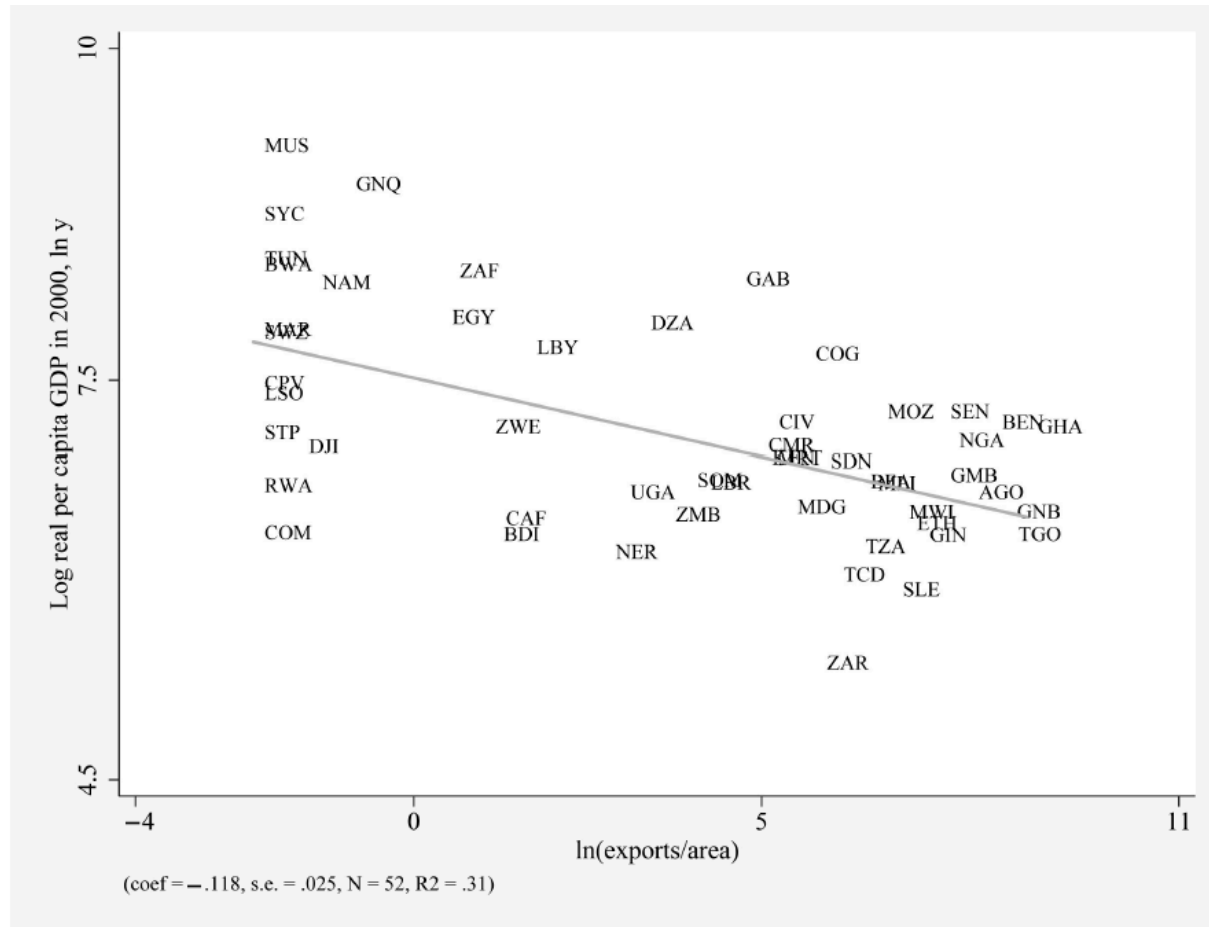


FIGURE III

Relationship between Log Slave Exports Normalized by Land Area,  $\ln(\text{exports}/\text{area})$ , and Log Real Per Capita GDP in 2000,  $\ln y$

The opposite may be true: Slave trade took place in densest (hence most developed?) regions of Africa

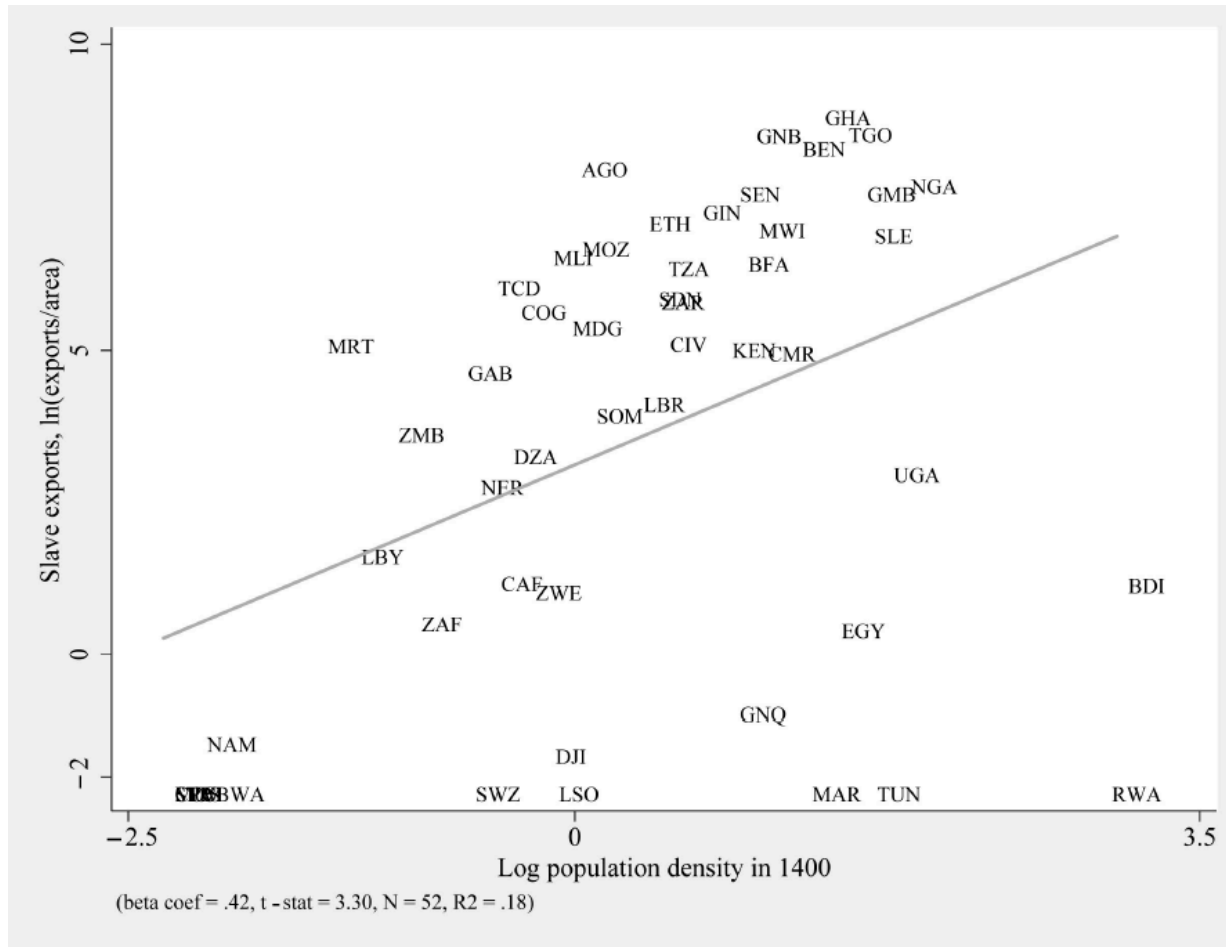


FIGURE IV  
Relationship between Initial Population Density and Slave Exports

# The greater the slave trade, the less developed the 19th century state

Instrument: Sailing distances from each country to the nearest locations of demand for slave labor

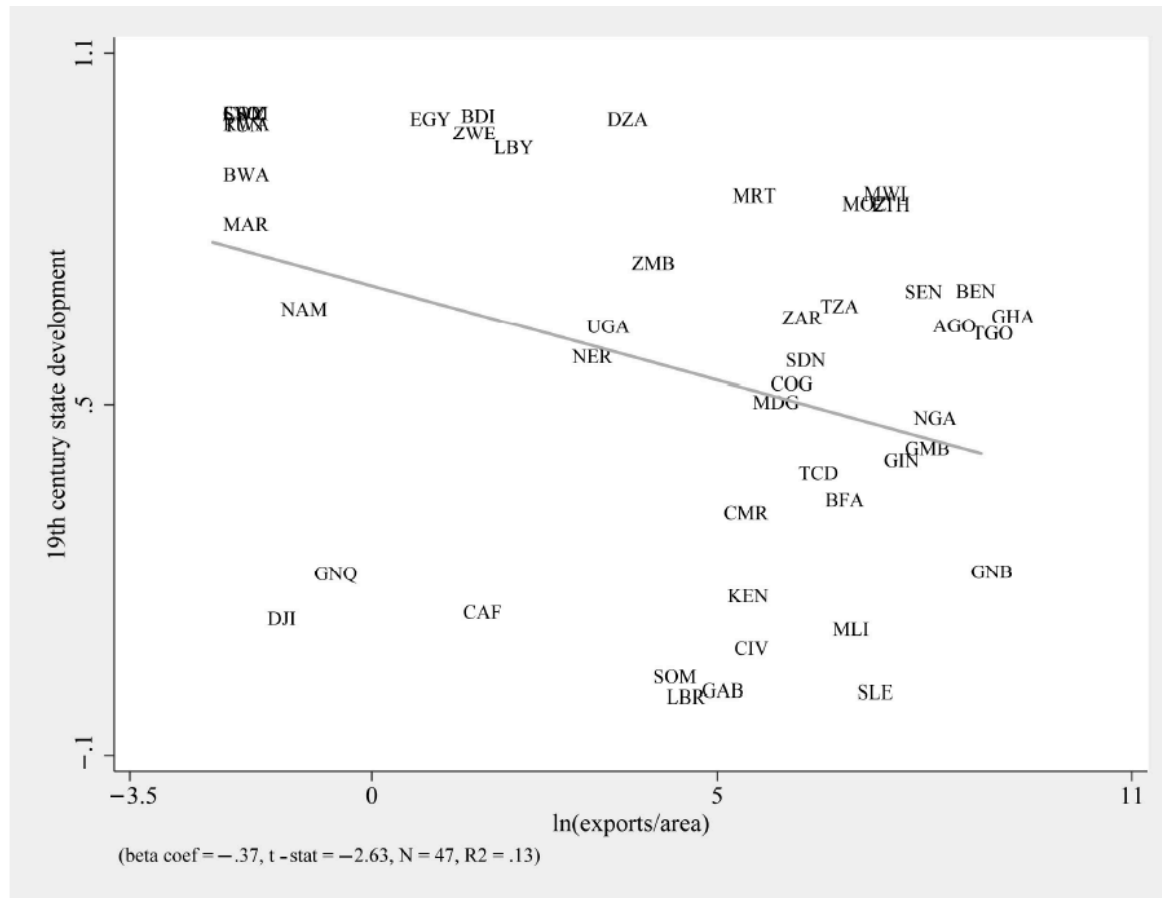


FIGURE VII

Relationship between Slave Exports and Nineteenth-Century State Development



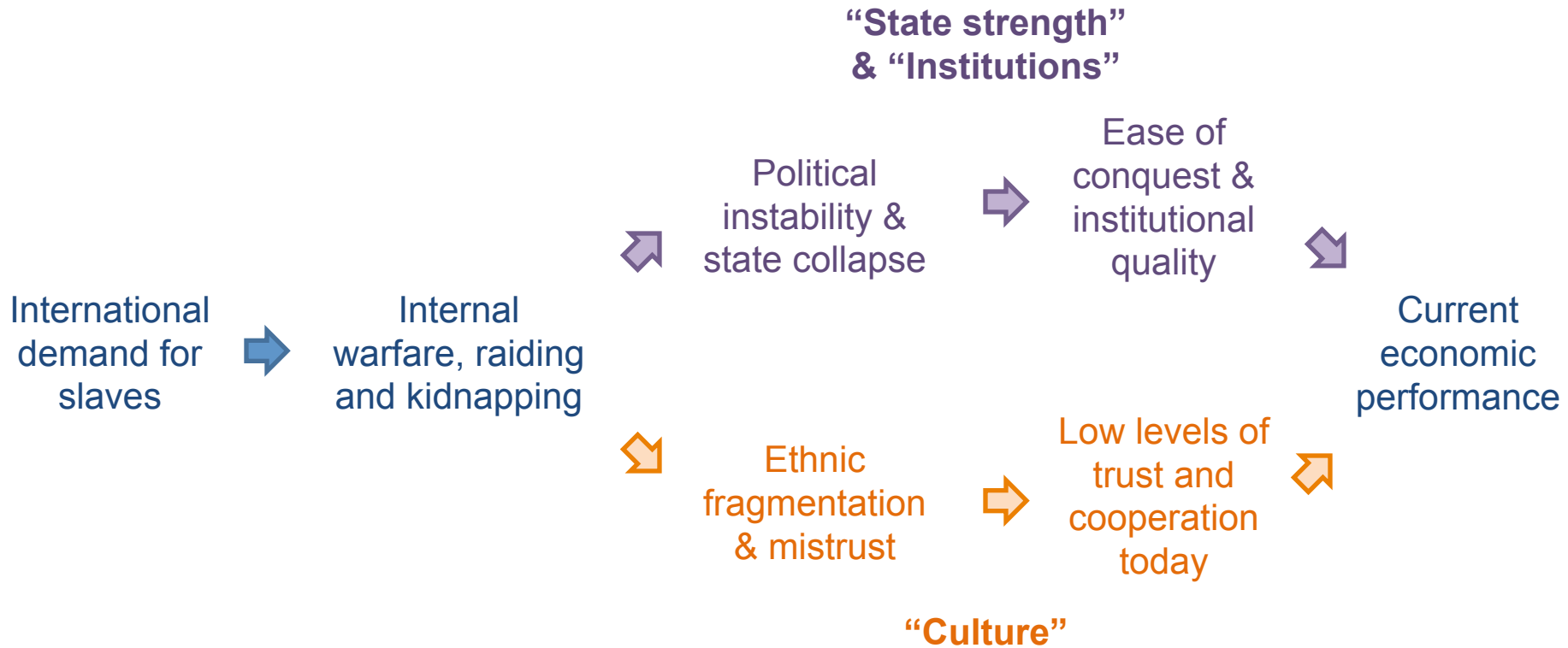
Also, the greater the slave trade, the lower are modern levels of trust (Nunn & Wantchekon)

**Table 1.** The Method of Enslavement among Koelle's Informants

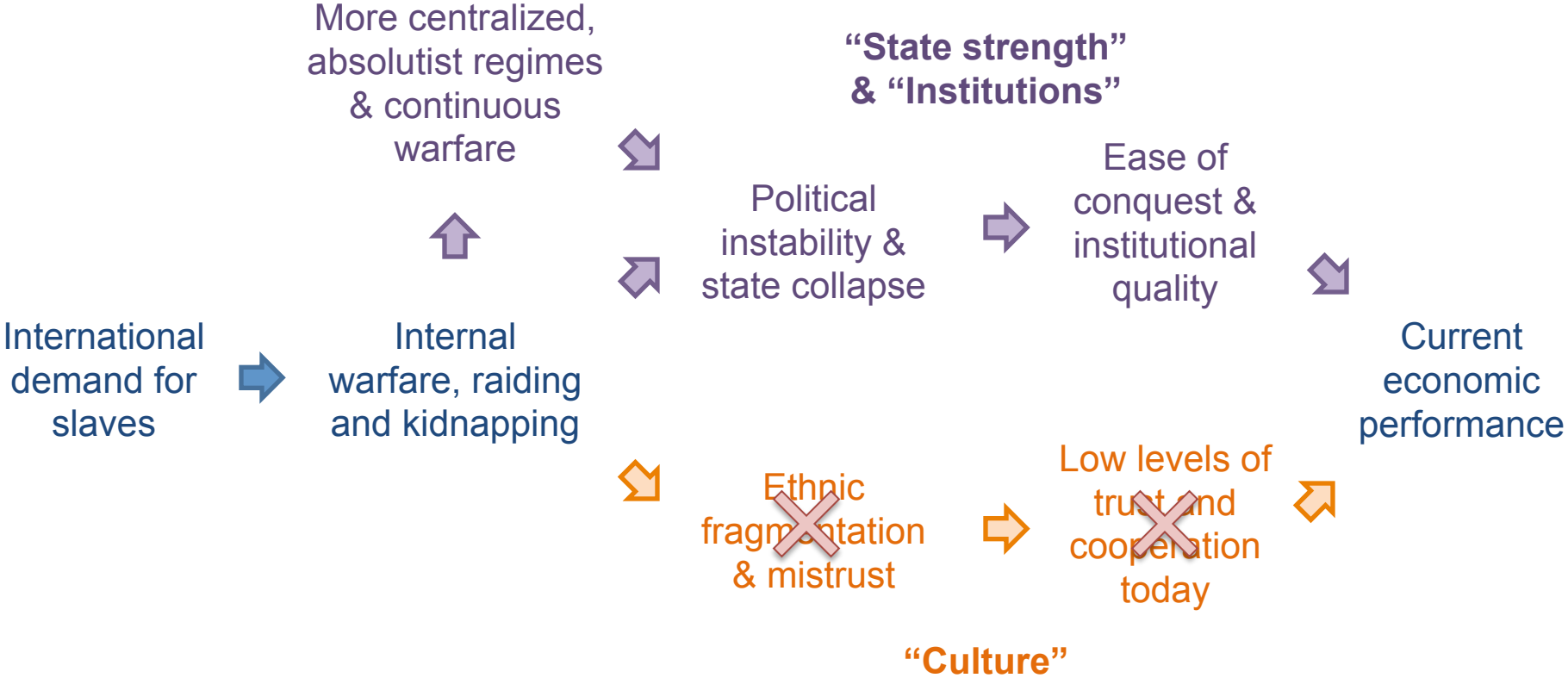
Manner of Enslavement	Percentage
Kidnapped or seized	40.3%
Taken in a war	24.3%
Sold/tricked by a relative, friend, etc.	19.4%
Through a judicial process	16.0%

*Notes:* The data are from Sigismund Koelle's (1854) Linguistic Inventory. The sample consists of 144 informants interviewed by Koelle for which their means of enslavement is known.

# Nathan Nunn (+ many historians): The slave trade undermined African institutions



# What might Acemoglu & Robinson say?



# Might there be parallel arguments in Latin America?

Demographic disaster and weakened states

50m indigenous  
estimated in 1492

By 1820, half of the  
15m inhabitants were  
European, African or  
mestizo

Coatsworth (1998)



Image of a Mesoamerican infected with smallpox



Colonialism: Its nature, causes and consequences (in brief)

# The mercantile imperative

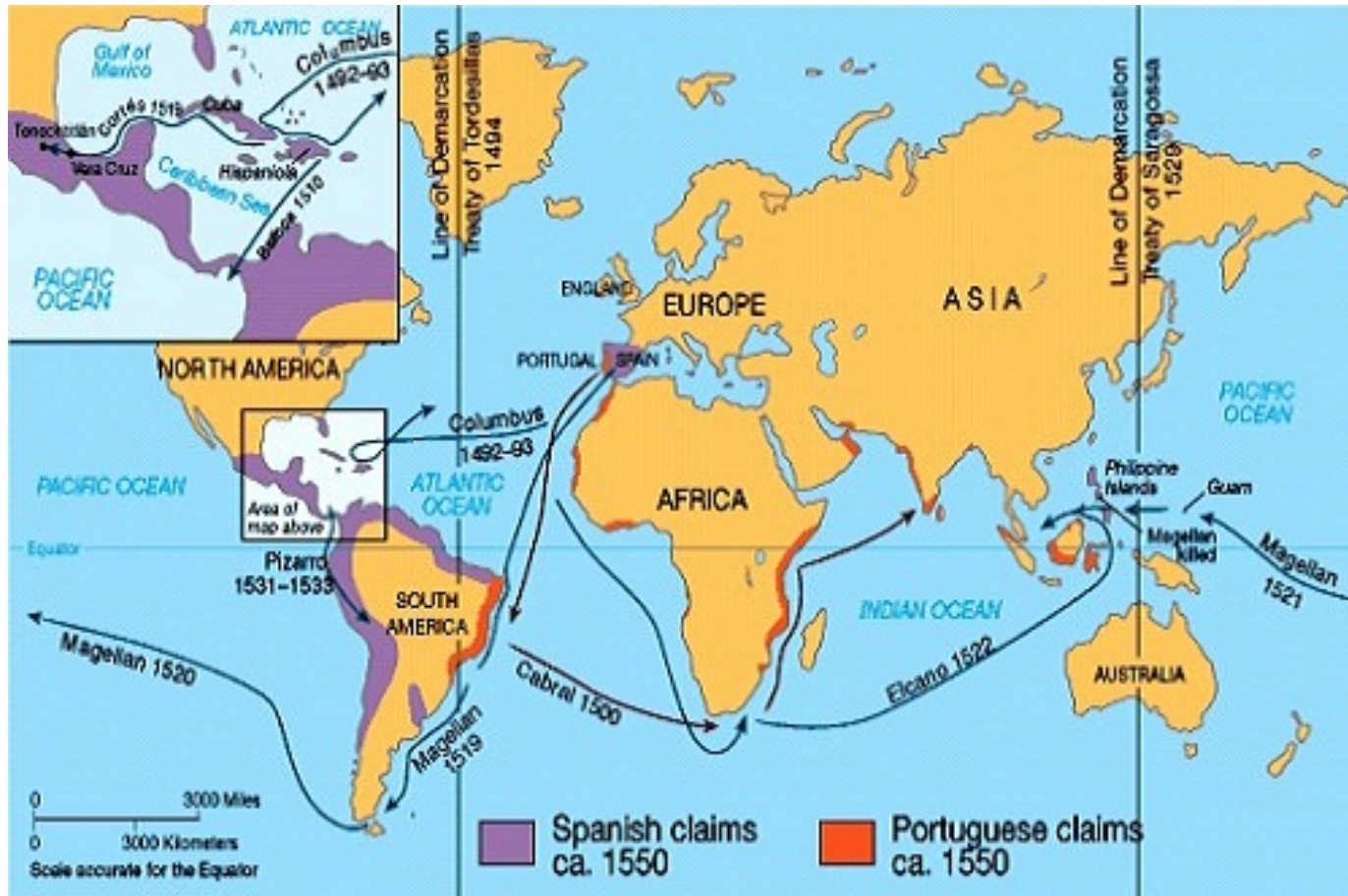
Dominant school of thought in Europe 15<sup>th</sup>-18<sup>th</sup> century

- Mercantilism = Economic nationalism
  - Enrich the country by restraining imports and encouraging exports
  - Measured the wealth of a nation by the size of the treasuries
  - Bring specie into the country and maintain employment
  - Thus bolster military power
- Benefited the increasingly powerful mercantile class and companies
  - Protection of business interests
  - State support in opening up of new markets



# Spanish and Portuguese Empire: 1490s to 1820s

Driven by mercantile interests





CONQUISTA DE MEXICO POR CORTES. No. 7

- |                      |    |
|----------------------|----|
| Alonso Cortes        | 1  |
| Diego Velazquez      | 2  |
| Francisco Pizarro    | 3  |
| Alonso de Ercilla    | 4  |
| Diego de Magalhães   | 5  |
| Christopher Columbus | 6  |
| Alonso de Ojeda      | 7  |
| Diego de Lepe        | 8  |
| Alonso de Sotomayor  | 9  |
| Diego de Ordaz       | 10 |
| Alonso de Herrera    | 11 |
| Diego de Saavedra    | 12 |
| Alonso de Sotomayor  | 13 |
| Diego de Ordaz       | 14 |
| Alonso de Herrera    | 15 |
| Diego de Saavedra    | 16 |
| Alonso de Sotomayor  | 17 |
| Diego de Ordaz       | 18 |
| Alonso de Herrera    | 19 |
| Diego de Saavedra    | 20 |



# Spain and Portugal's mercantile colonial policy essentially extractive

- Heavy focus on specie and sugar extraction
- Heavy taxation by selling private trade monopolies sales and licensing
- Coercive labor systems
- Limited and controlled immigration, even of own nationals



# In 1700, Latin America was as productive as the US or UK

**TABLE 1.1**

GDP per Capita as Percentage of the U.S. Level, 1700–1994

Country	1700	1800	1850	1900	1913	1950	1994
Argentina		102		52	55	41	37
Brazil		36	39	10	11	15	22
Chile		46		38	40	33	34
Colombia				18	18	19	24
Cuba	167	112	78		39		
Mexico	89	50	37	35	35	27	23
Peru		41		20	20	24	14
Venezuela				10	10	38	37
Mean	128	66	51	27	28	29	27

(Note: Helps to have lots of extraction and low “capita”)

# The next 200 years, Latin America would stagnate while the UK and North America took off. Why?



1. High transport costs
2. Absolutist colonial power (and local agents) with few constraints
  - Unpredictable policies and policymakers
  - Poor public goods provision
    - Infrastructure, education, defense
  - Burdensome tax and regulation
    - Monopolies, licensing, trade and migrant restrictions
    - Distorted incentives
  - Inefficient Iberian rule of law
    - Poor property rights
    - Corrupt judiciary
    - Inalienable rights of church

# In contrast, Europe has yet to penetrate and settle Africa

Totius Africæ tabula, & descriptio uniuersalis, etiam ultra Ptolemæi limites extensa.

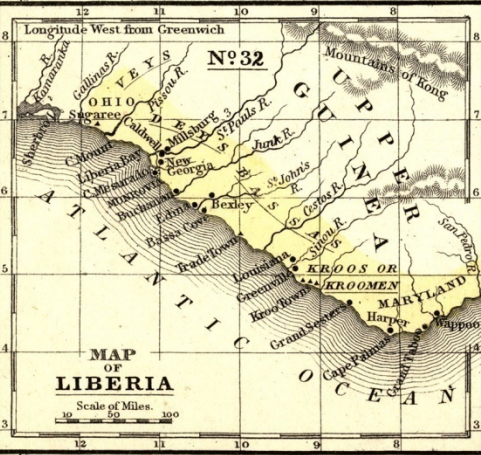


A Lusitania ad Calecut Orientis imperium, hoc itinere per mare deuenitur. Per latus occidentale Mauritaniae & Getuliae. Noto deuenitur ad Caput viride, dictum olim Expertas, ibi uisuntur tres insulae. Inde transita aethiopia apparet caput australe, quod est Caput bone spei, exceditq; huiusmodi tropicum nouem gradibus. Mox regio se finit, quo ad rursus promontorium peruenis, quod ptolemæus terminum posuit australe, alterioreq; plagâ appellauit terrâ incognitâ. Inde iter patet ad Trogloditas, ubi est Zaphala aurifodina etia ue teribus cognita. Hinc transitu regno Melindae, per sinu Barba ricu uenitur in Oceanu Indicu, & demum ad urbem Calecut.

# Primarily a supply of slaves (and some trade goods) and a way station to Far East

- Less hospitable to European people and agriculture
  - Diseases
  - Natives
  - Agricultural suitability
  - Precious metals
- Changes in late 19<sup>th</sup> C with:
  - Quinine
  - Rifles
  - Steamships





In the year 1815 the late Emperor Napoleon I was brought to St. Helena. In 1821 he died and was buried there. In 1840, his remains were conveyed to France.

The Republic of Liberia extends along the west coast of Africa from the Gallinas river 420 miles S.E. to the San Pedro with an average breadth inland of 40 miles comprising an area of 16,800 square miles. It includes Liberia Proper, and Maryland, and Ohio. The latter consists of various tribes of which the Vays or Fays, Deys, Bassas, Fishmen, and Kroomen are the chief.

# 1867

# The Scramble for Africa 1870-1914

I contend that we are the first race in the world, and that the more of the world that we inhabit the better it is for the human race.

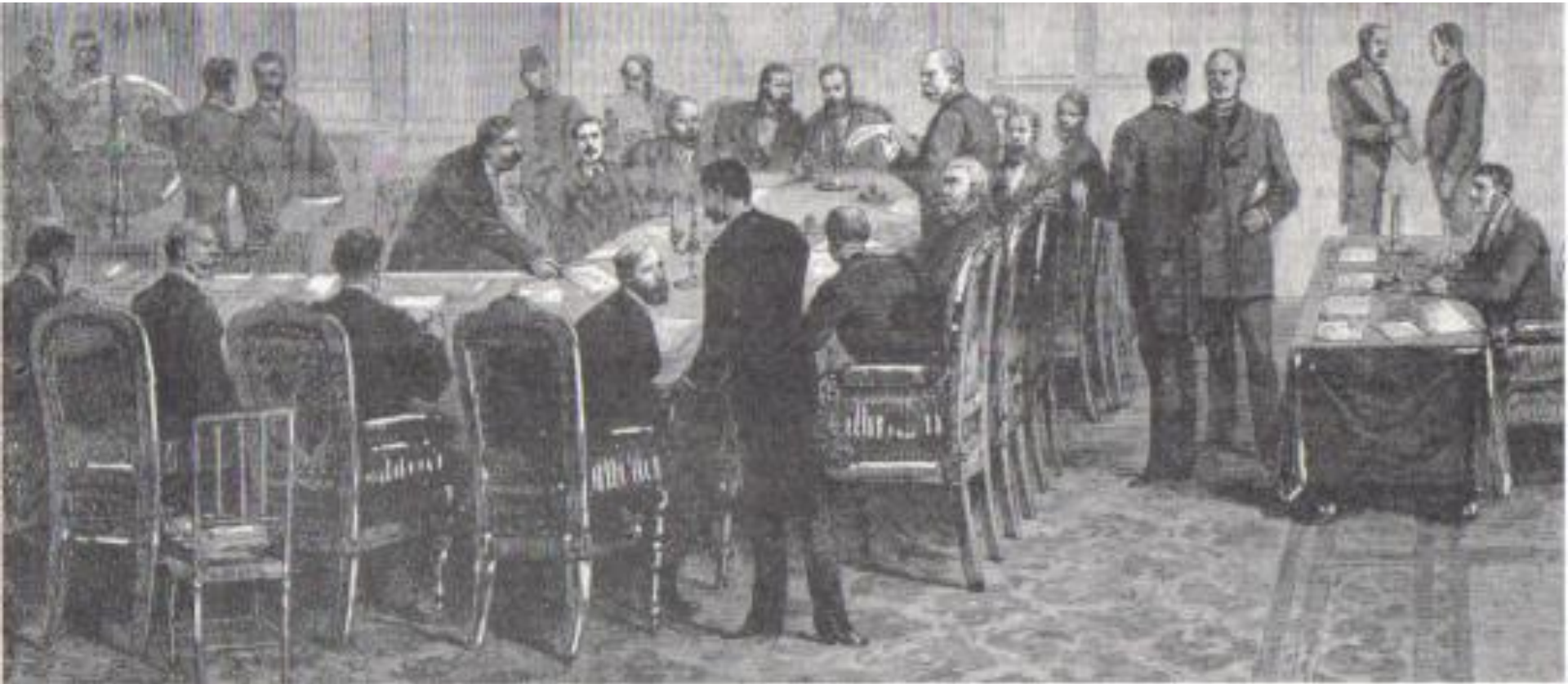
I contend that every acre added to our territory means the birth of more of the English race who otherwise would not be brought into existence...

Cecil Rhodes, 1891



# Conference of Berlin (1884-85)

## The carving up of the continent



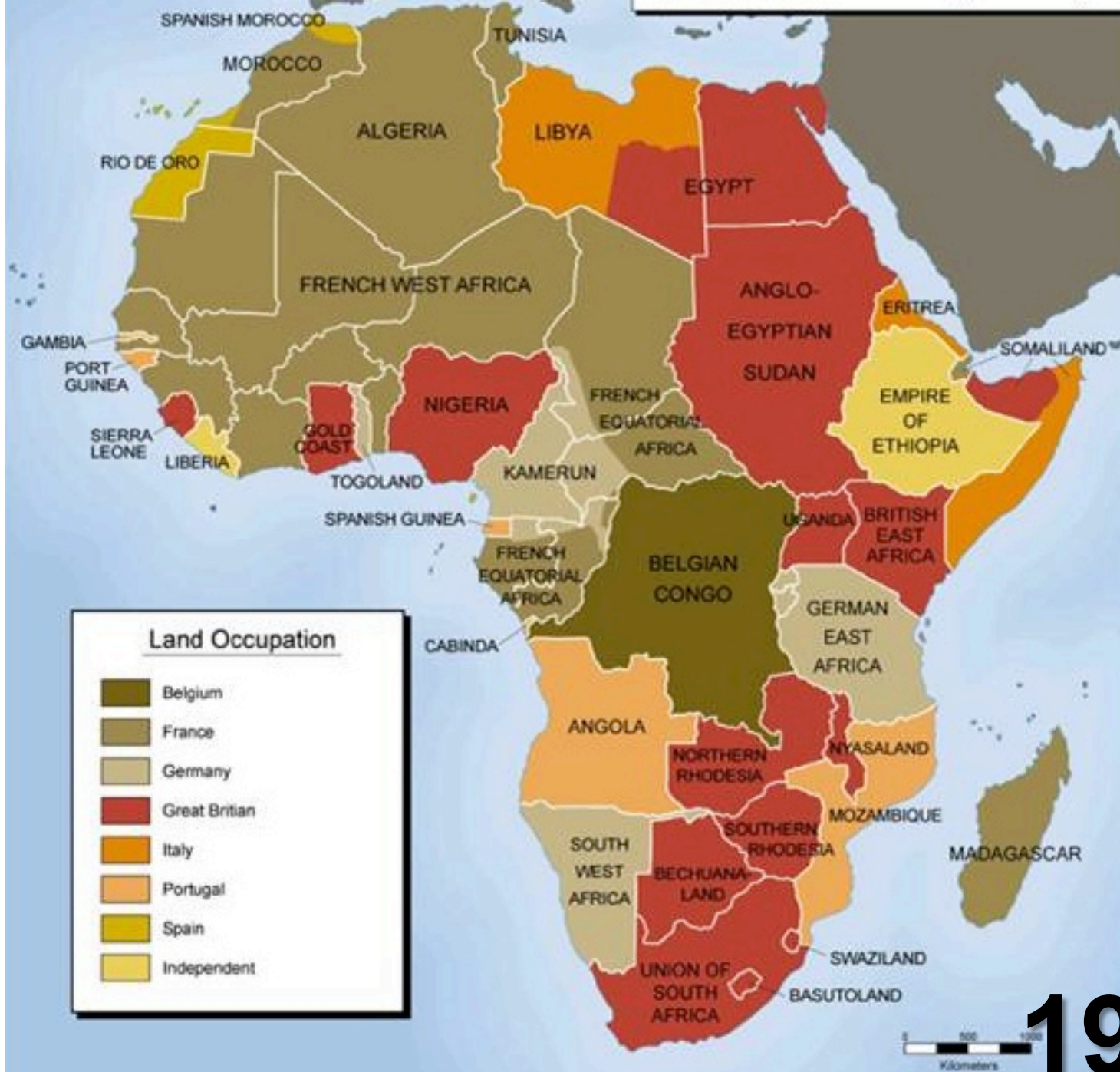


# Preventative motives

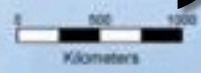
Mercantilism is dead?

“Our policy may for the present chiefly assume a negative character. So long as we keep other European nations out, we need not be in a hurry to go in.”

- British Vice Consul of the Oil Rivers Protectorate (Nigeria)



1914



# How was the form of the post-colonial state shaped by the African colonial experience?

Economists tend to focus on inheritance of institutions that promoted property rights.

Historians and political scientists tend to focus on the specific institutions for despotic power

# Styles of Rule

Portuguese

French

Belgian

British

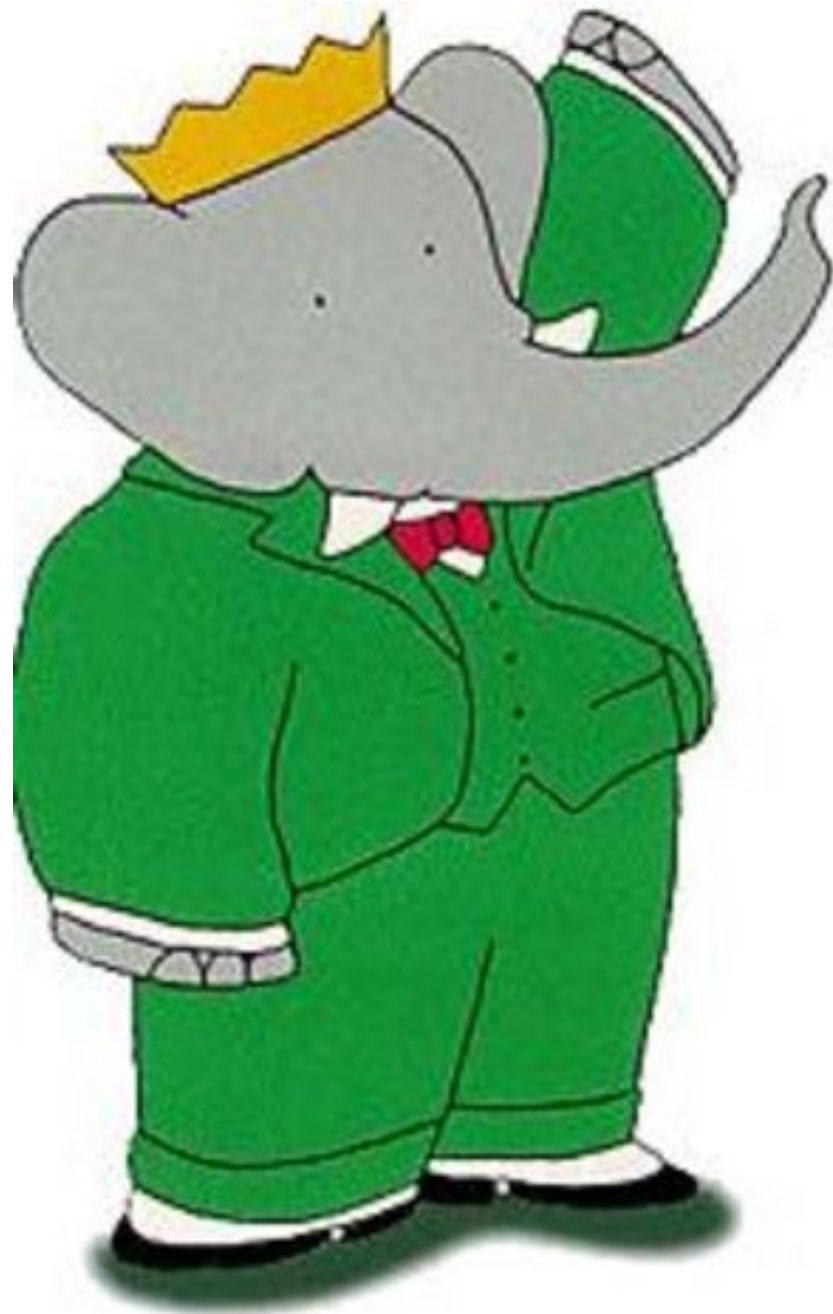


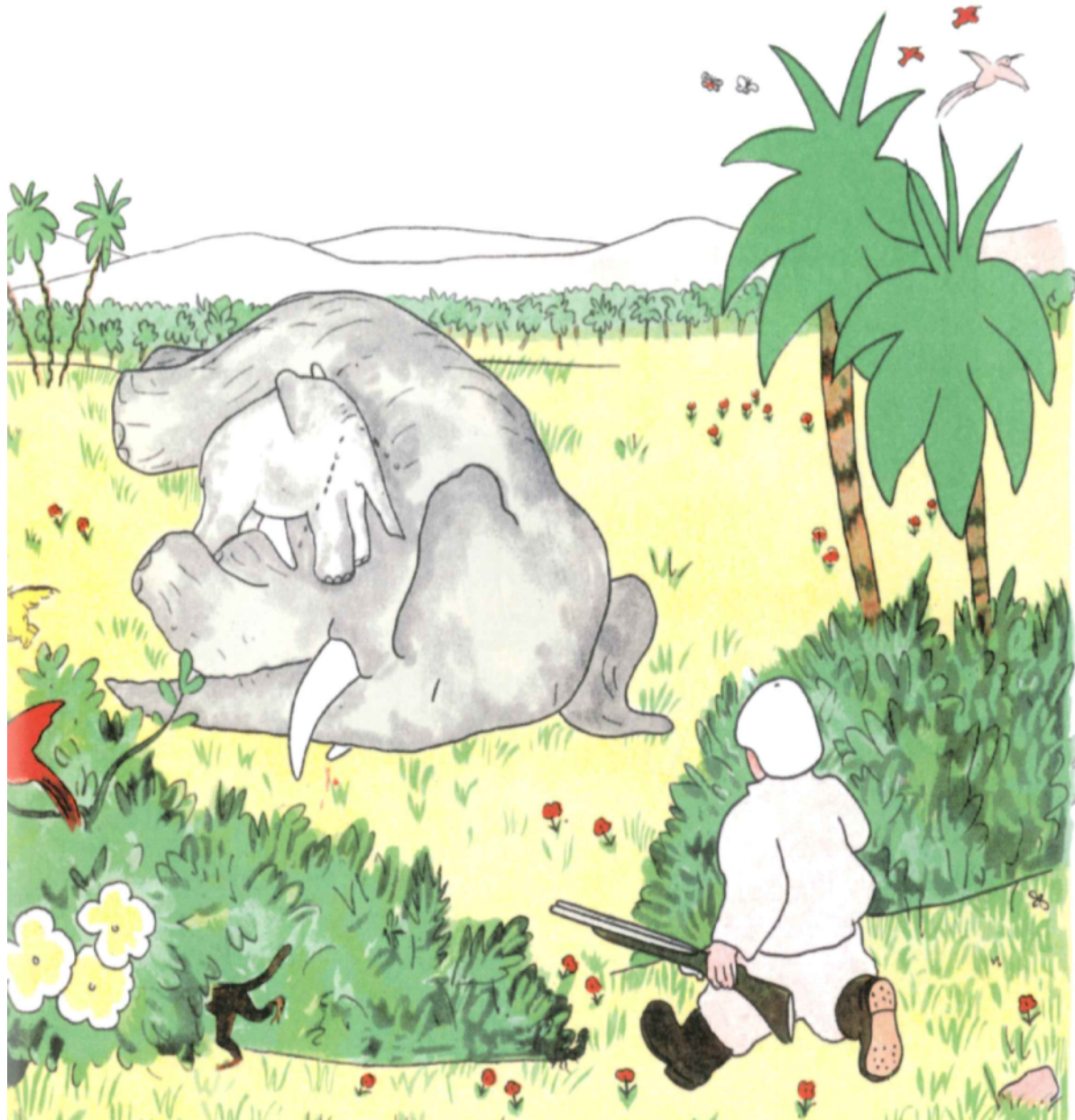
## Direct Rule

Chiefs entirely  
subordinate position  
to the colonial political  
officers

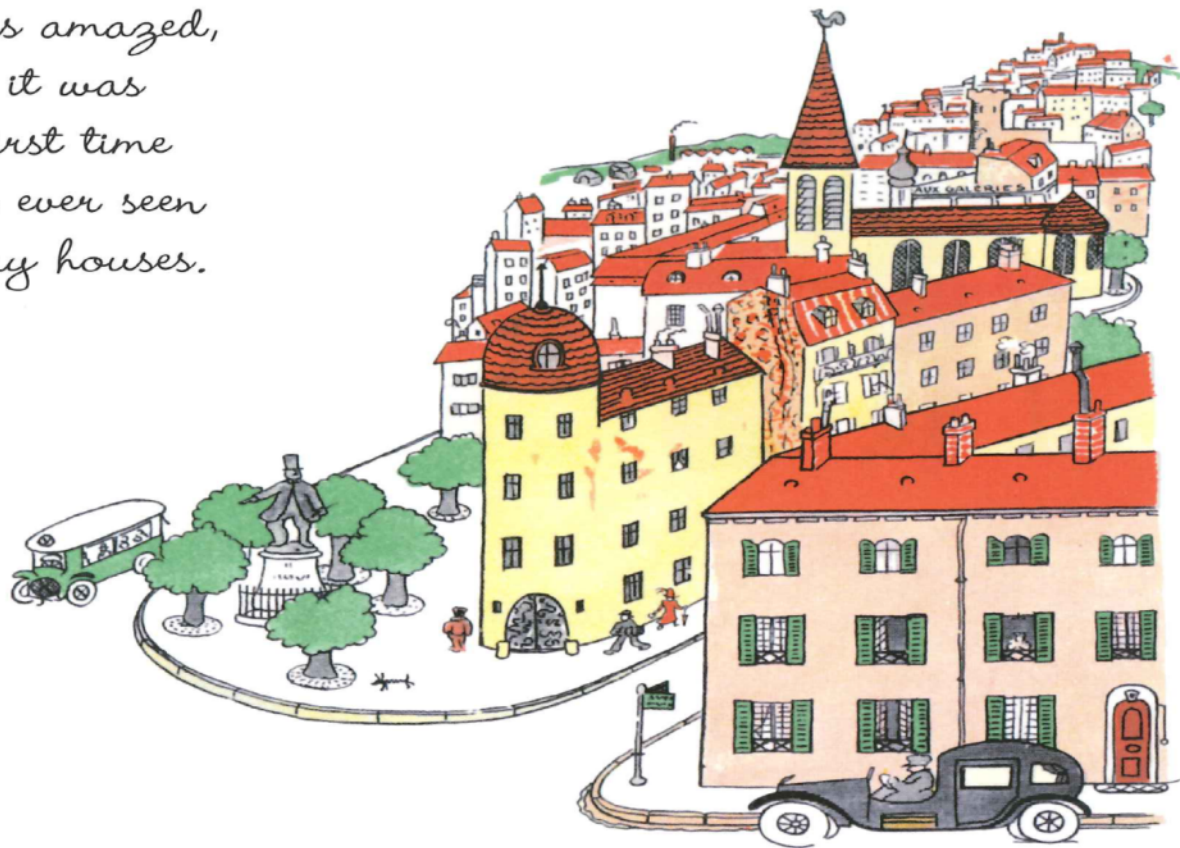
## Indirect Rule

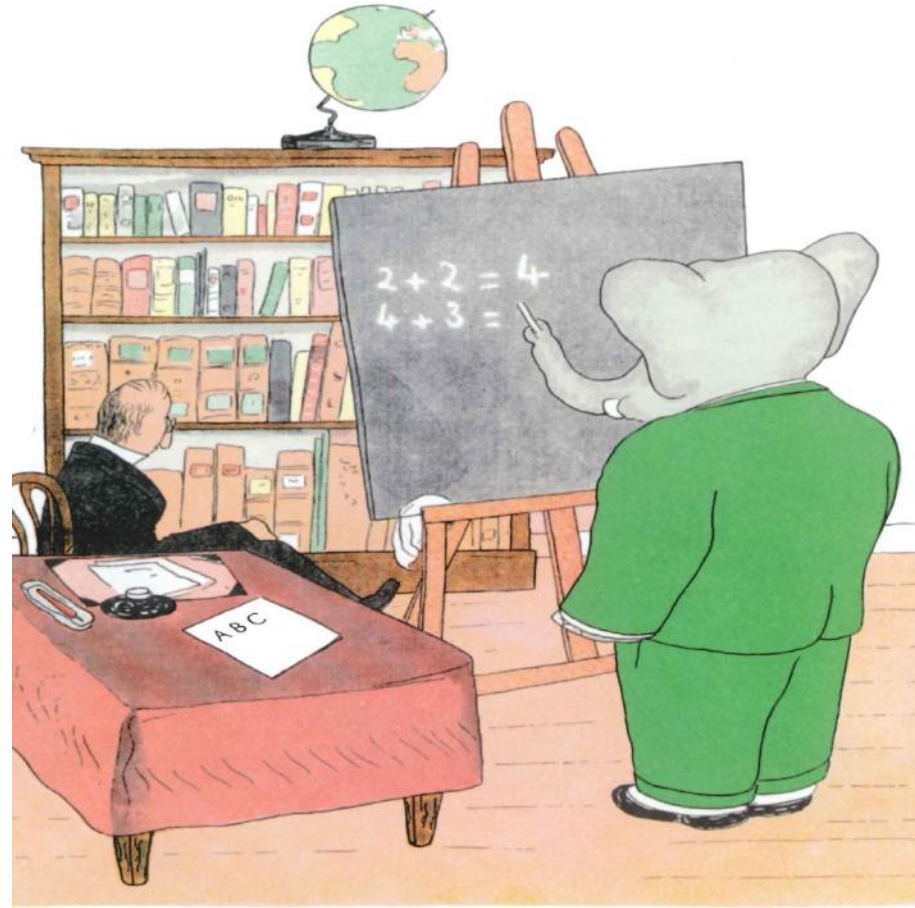
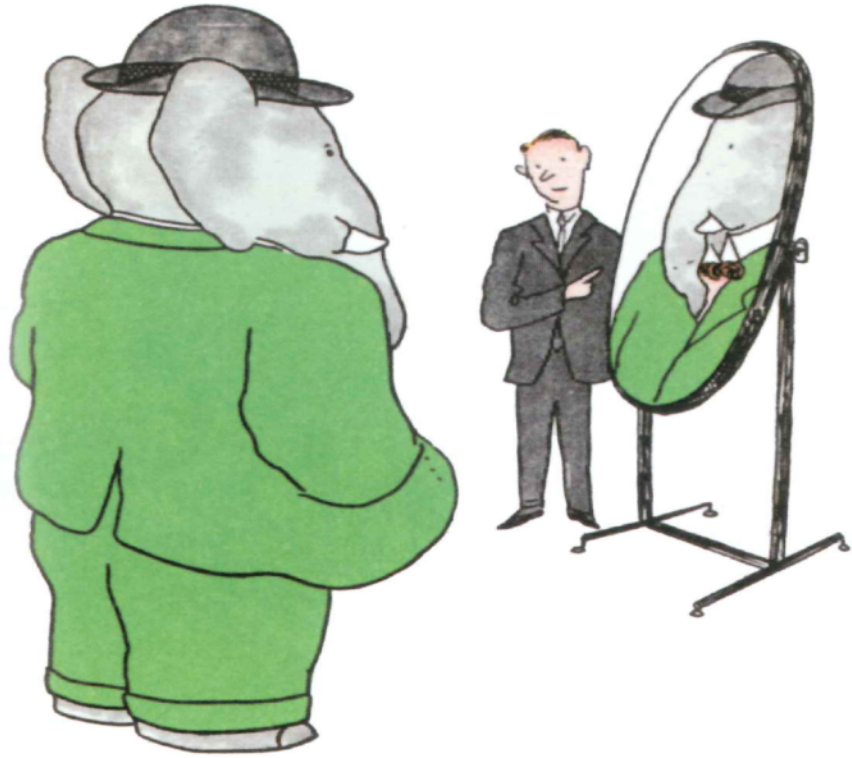
Traditional local power  
structure incorporated  
into colonial  
administration





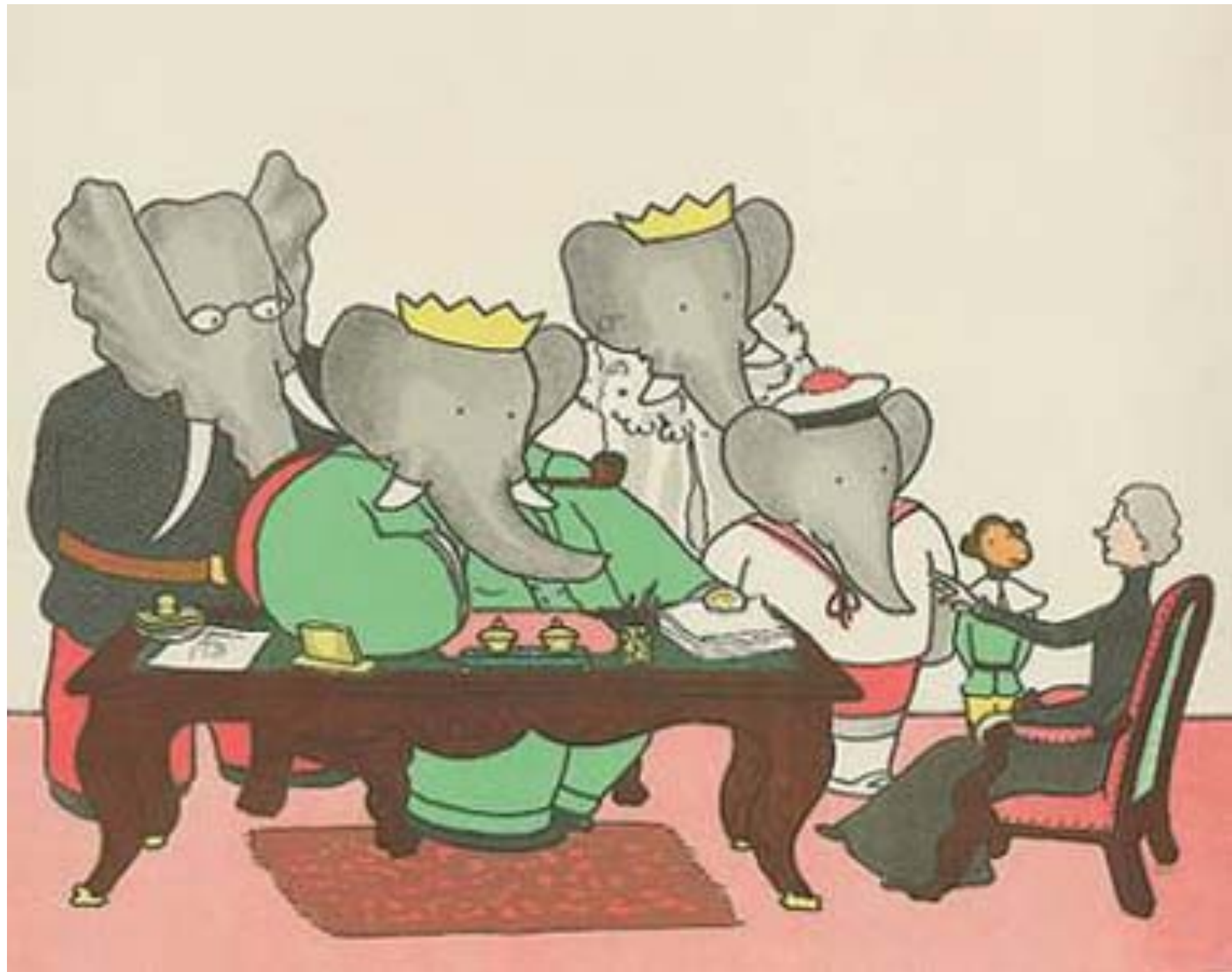
He was amazed,  
for it was  
the first time  
he had ever seen  
so many houses.









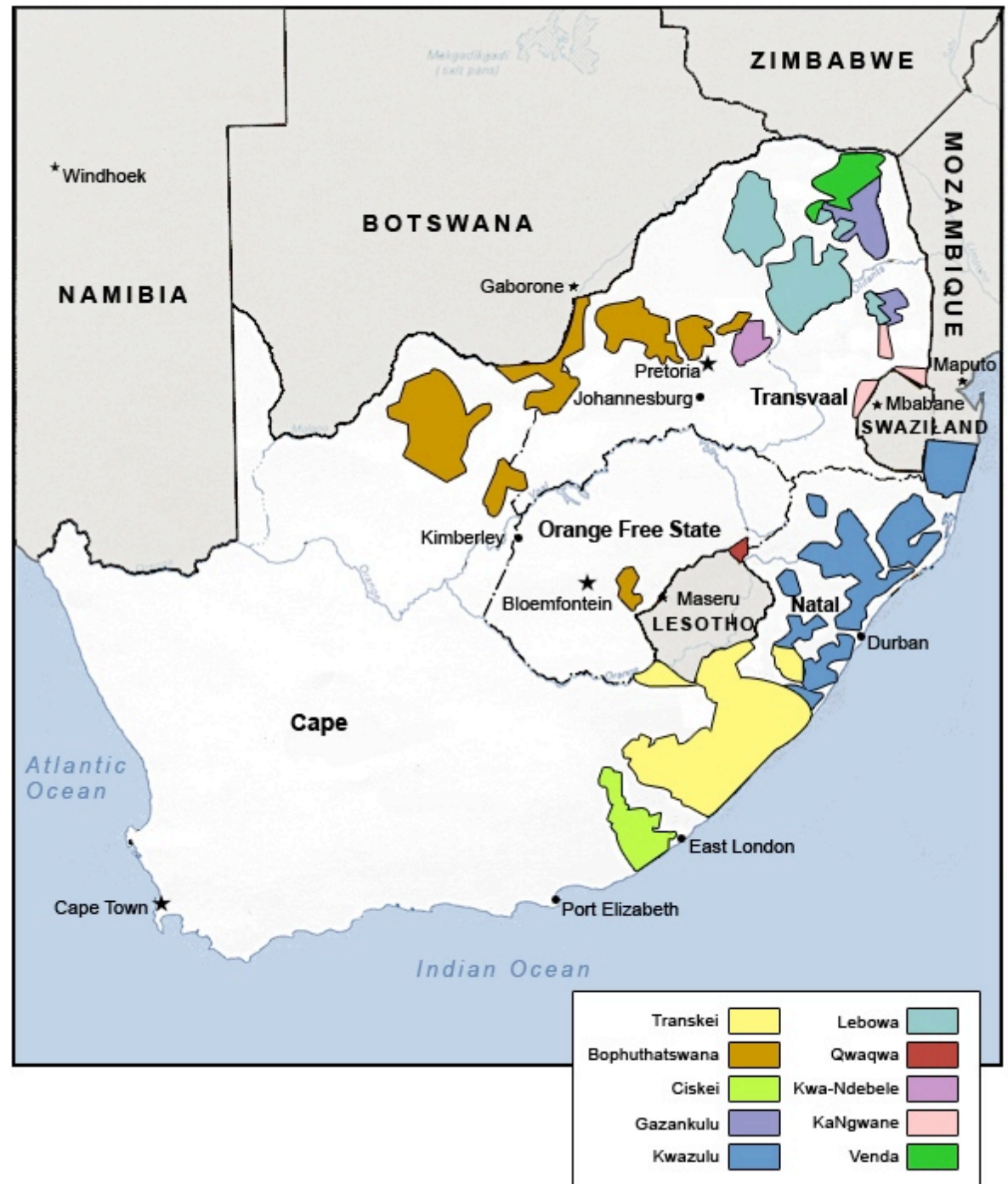


# Indirect rule

- Colonial authorities defined an ethnic group as a group with its own customary law.
  - Enforced by a traditional tribal “Native Authority”
- British colonial argument:
  - An enlightened and deferential recognition of native culture and uniqueness.
- Real answer?
  - Cheaper than direct rule—which would require building a foreign, white class of governors.

Originated in South Africa, as a way of governing native territories (Mamdani)

Institutional segregation—the early beginnings of apartheid





Also presumed that rule was hereditary, despotic and male



Ashanti chief in Ghana

*“The election of chiefs follows a pattern. The senior female of the chiefly lineage nominates from eligible males. This senior female then consults the elders, male and female, of that line. The final candidate is then selected.*

*That nomination is then sent to a council of elders, who represent other lineages in the town or district. The Elders then present the nomination to the assembled people.*

*If they disprove of the nominee, the process begins again. Chosen, the new chief is enstooled by the Elders, who admonish him with expectations. ”*

<http://www.nathanielturner.com/ashantiempire.htm>

# Rule of the Few

## Even direct rule was pretty indirect

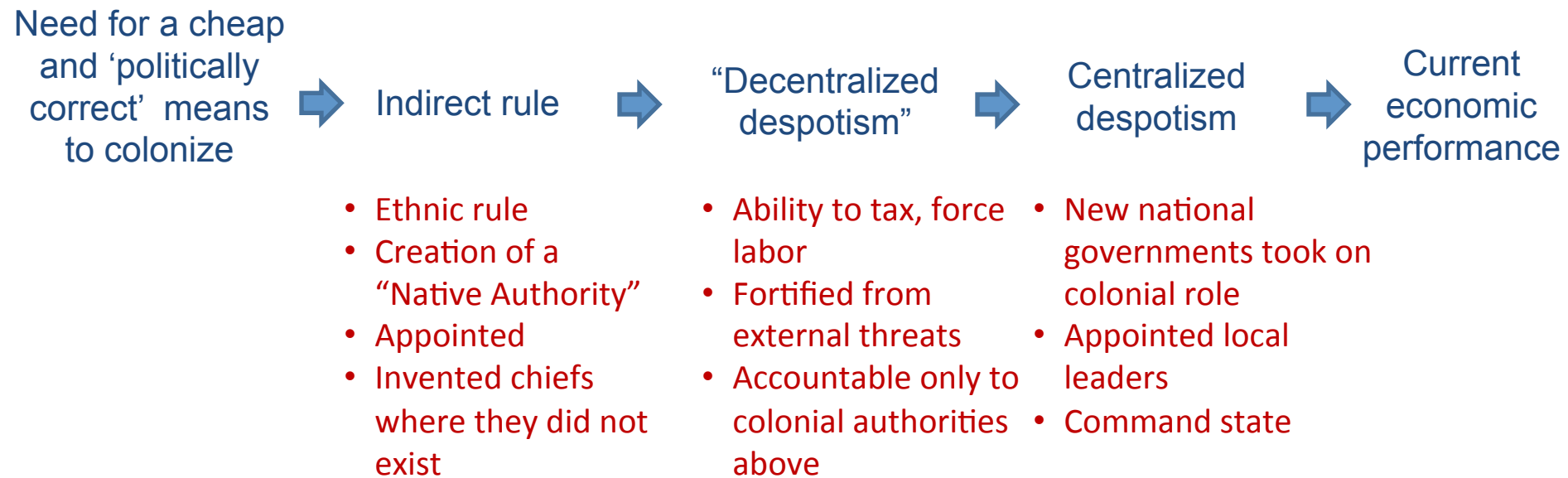
- Direct rule was more of a style and philosophy of governing than a presence
- Crawford Young: “Although brute force and violence were at its core, its overpowering image of strength and authority meant that coercive powers did not require constant application.”

	<u>European officials (1939)</u>	<u># Subjects</u>	<u>Officials per million</u>
British African colonies	2,161	43m	50
French West Africa	3,660	15m	244
French Equatorial Africa	887	3.2m	277
Belgian Congo	2,384	9.4m	254



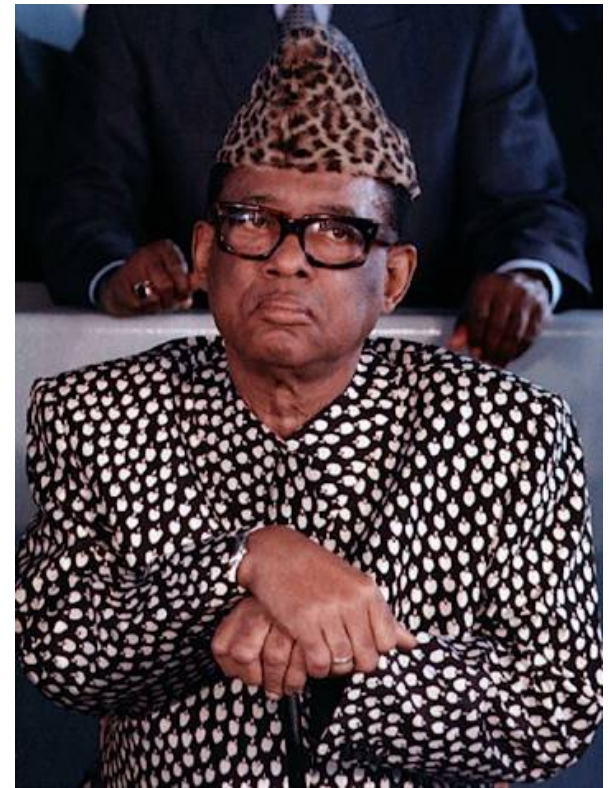
# Mamdani: “Decentralized despotism”

Indirect rule reinforced ethnically bound institutions of control



“Democracy is not for Africa. There was only one African chief and [so] here in Zaire we must make unity”

- Mobutu, WSJ, 14 Oct 1985



“There is no number two, three or four... In Cote d’Ivoire there is only a number one: that’s me and I don’t share my decisions.”

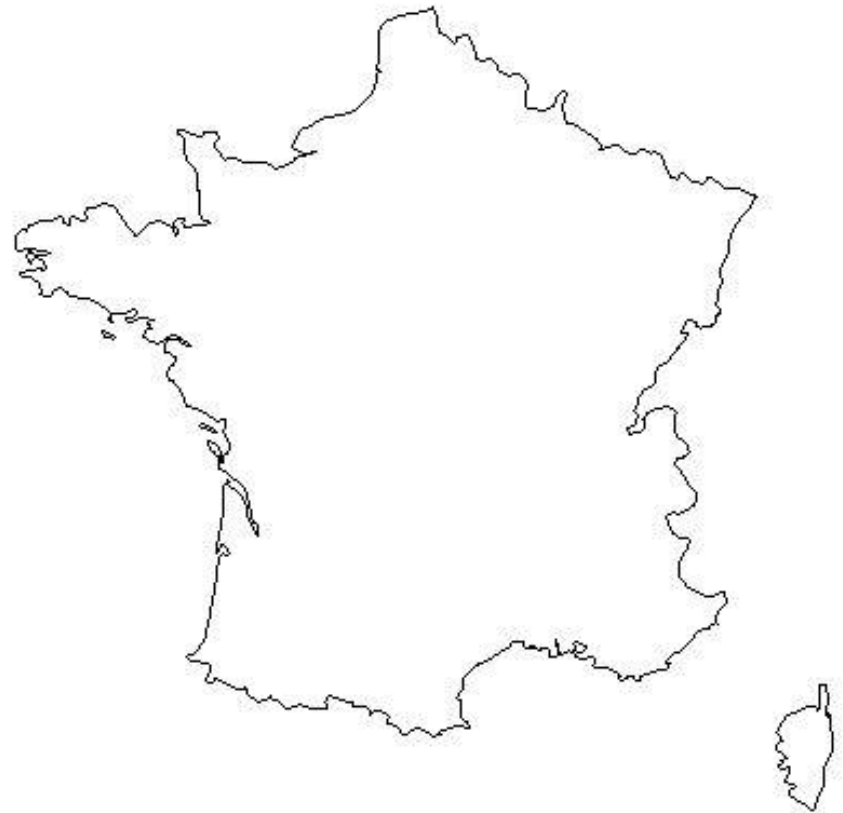
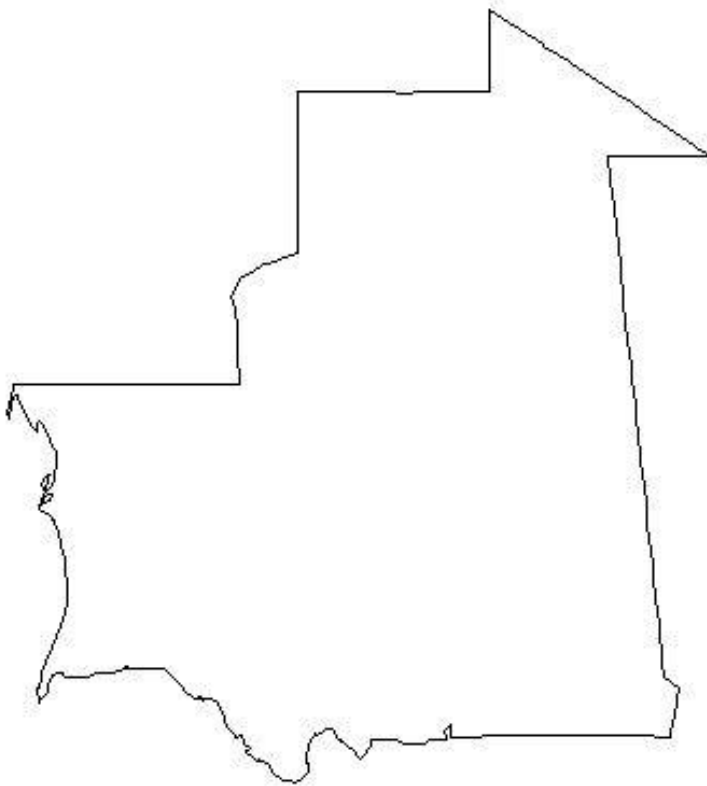
- Houphouët-Boigny, WA, 8 Aug 1988

# Parallels between “decentralized despotism” and prior theories

- AJR and constraining institutions
  - Strengthening centralization (the state) increases development prospects
  - But unconstrained state institutions have limited potential for modern economic growth
  - Absence of Euro settlement (hence indirect rule) hinders spread of constraining institutions
- Again, important to distinguish between:
  - The development arising from statelessness → basic statehood
  - The development arising from basic (autocratic, personalized) statehood → constrained, strong government

# We can also take the “form” of the colonial state quite literally

How much basic statehood was actually introduced?



# Artificial states?

80% of non-coastal African borders follow  
latitudinal and longitudinal lines

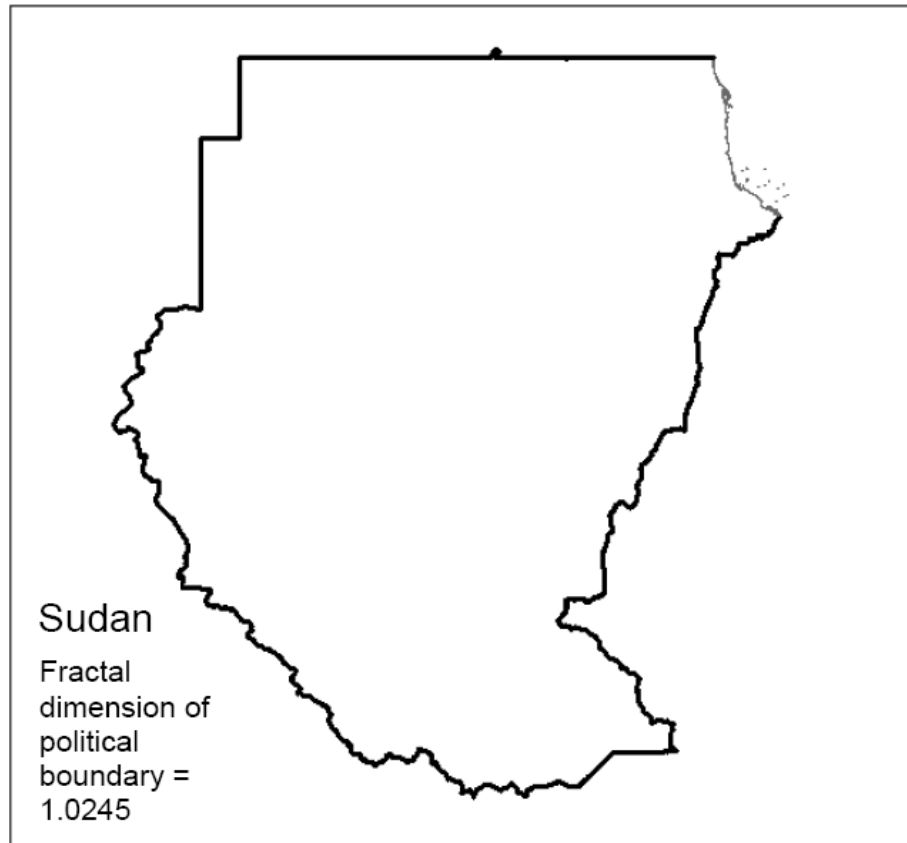


Figure 1b – Sudan, with political boundaries highlighted at left

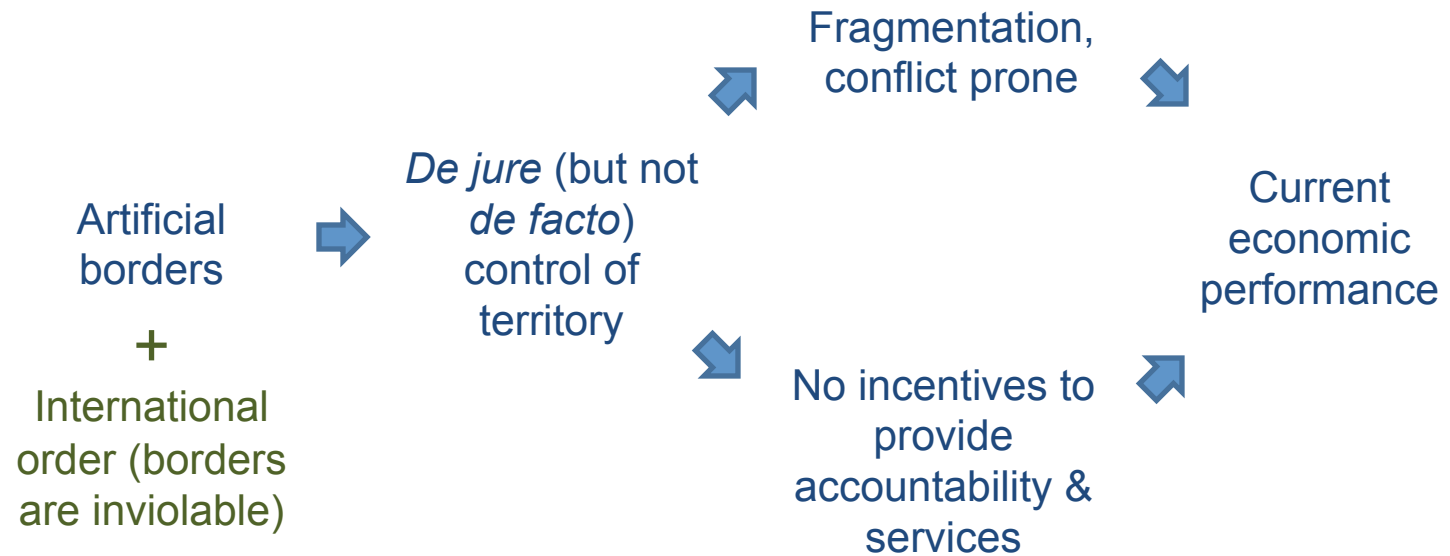
# Territorial-states not nation-states?

## *De jure not de facto* statehood

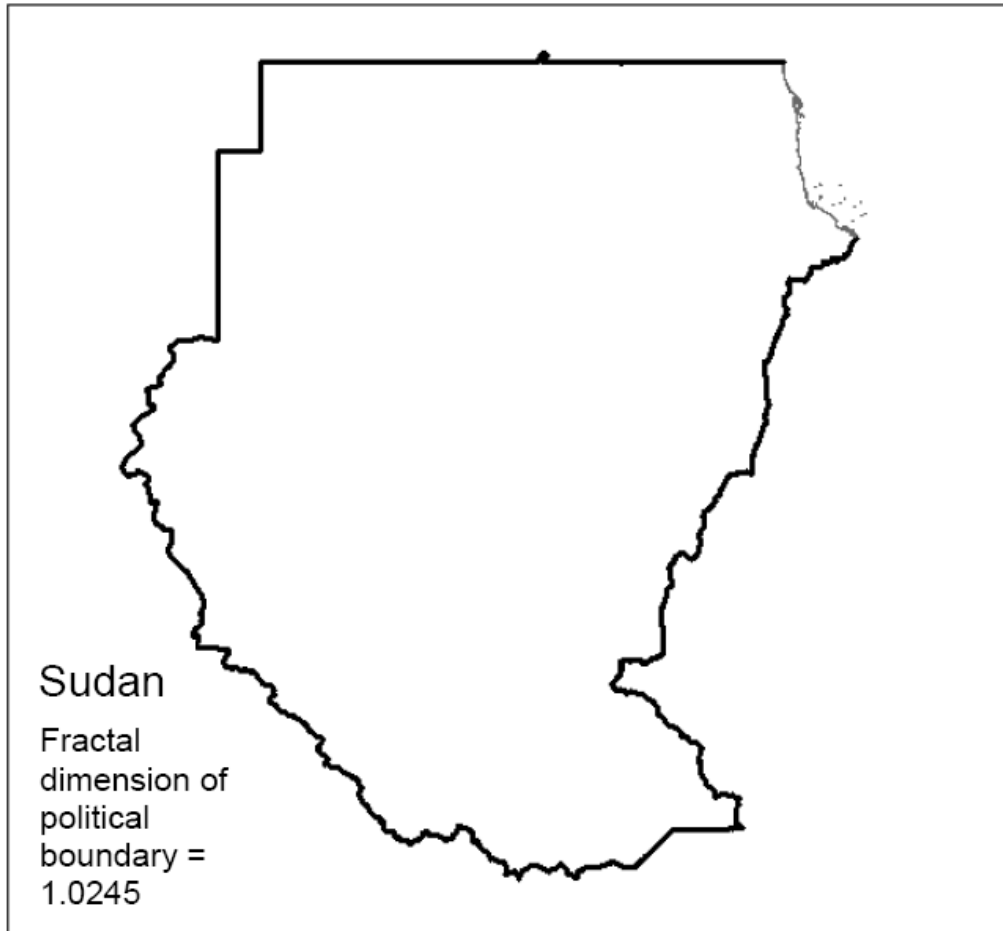
- Drawing lines on maps cheaper than war, defense, and control of the periphery
- Political borders do not coincide with the division of nationalities desired by the people on the ground
  - Gave territories to one group ignoring the claims of other groups.
  - Drew boundaries lines splitting “nations” (ethnic/linguistic groups) into different countries, frustrating national ambitions of some groups
  - Combined into a single country groups that wanted independence.
- Colonial powers only tried to rule in ‘core’ areas
  - Beyond the core, weak systems of formal rule
  - Make have explicitly or implicitly place the “core” group

# What's the impact of "Artificial borders"?

Alesina, Easterly & Matuszeski



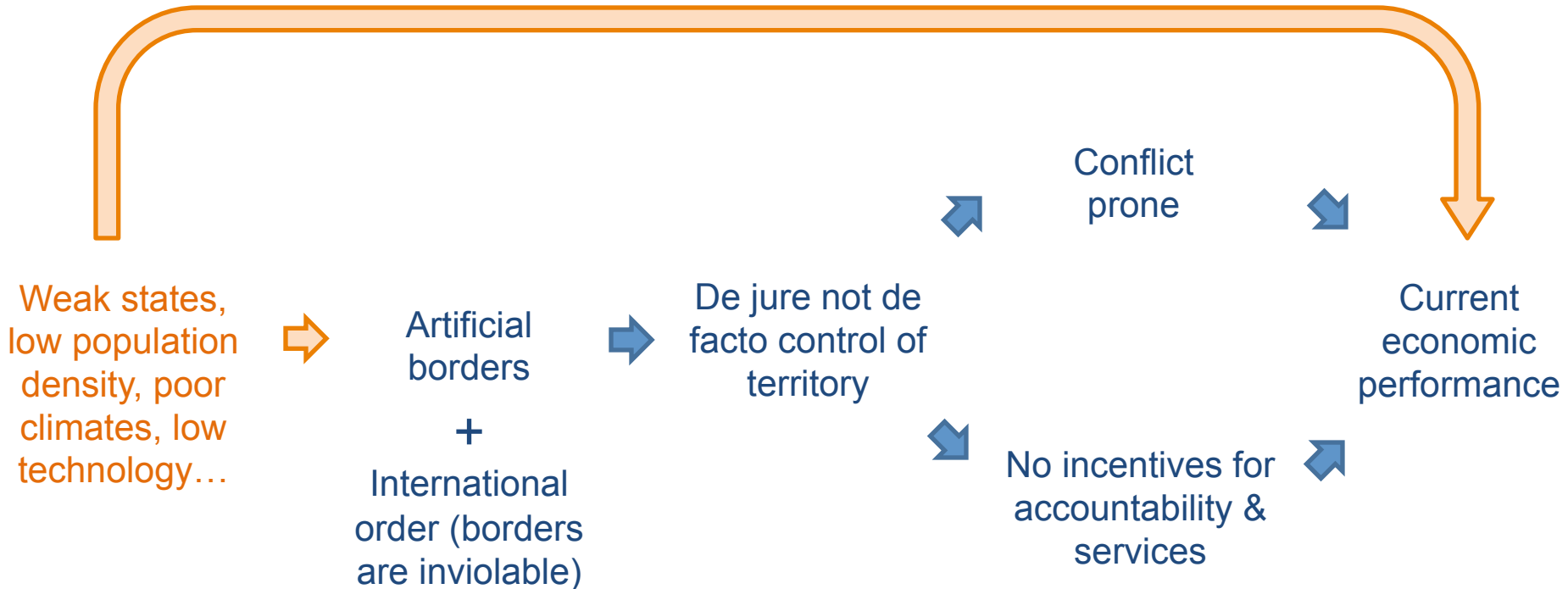
# How to measure artificiality?

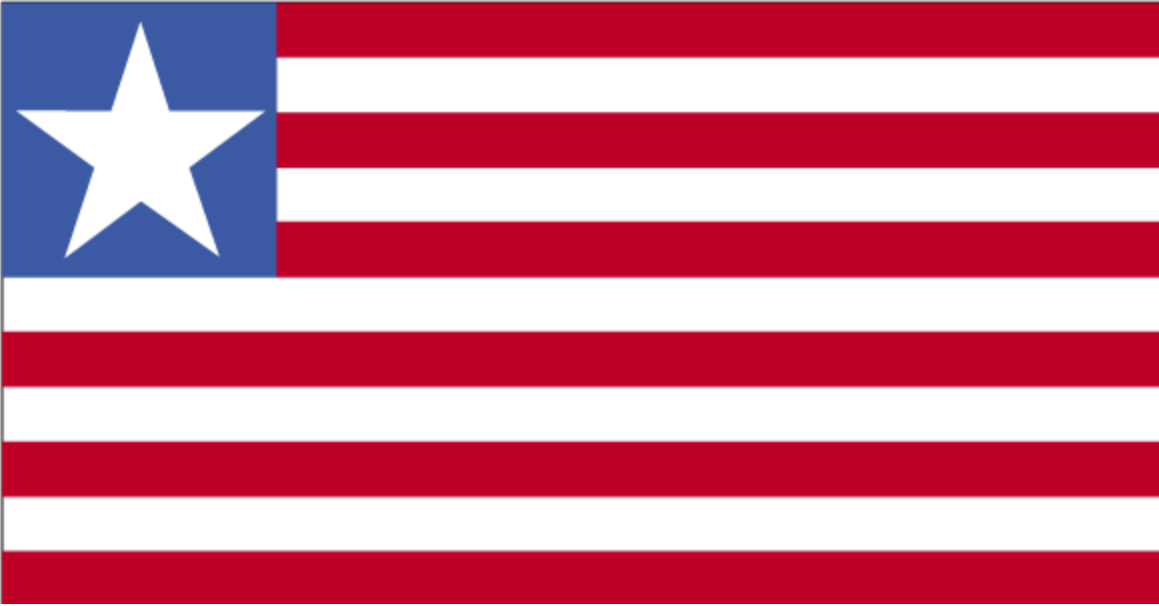


1. Same ethnic group is present in bordering countries
  2. How straight are land borders are
- Going from the 75th most artificial country to the 25th most artificial country is associated with an increase of 83% in GDP per capita



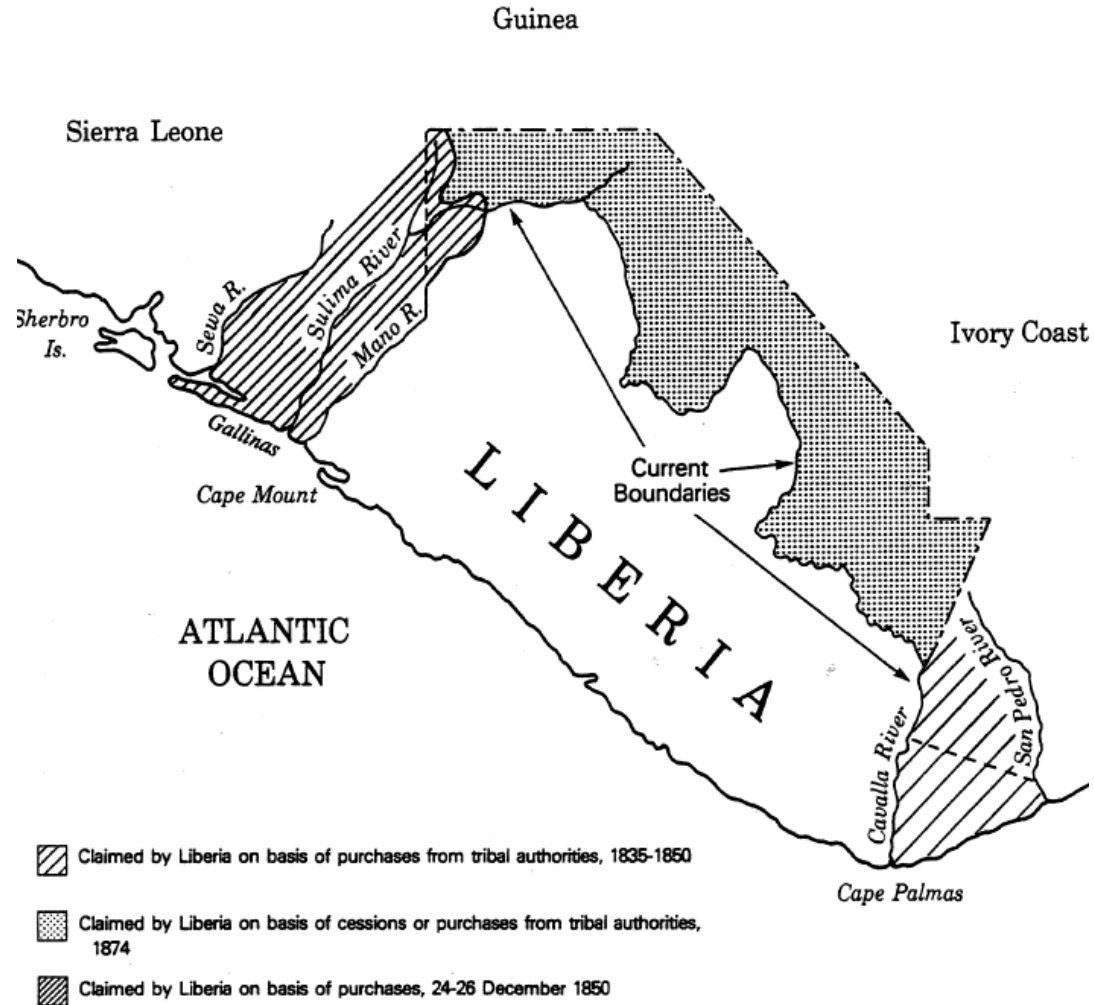
# Does correlation imply causation?





# Artificiality is not fate I:

Some states defended their borders but are still weak



# Artificiality is not fate II:

Some states defended their borders less but are still strong



Perhaps some arbitrary borders  
are worse than others  
(Herbst Chapter 5)

The organization of a territory by its  
population that counts more than  
any other feature

# Typology of political geography

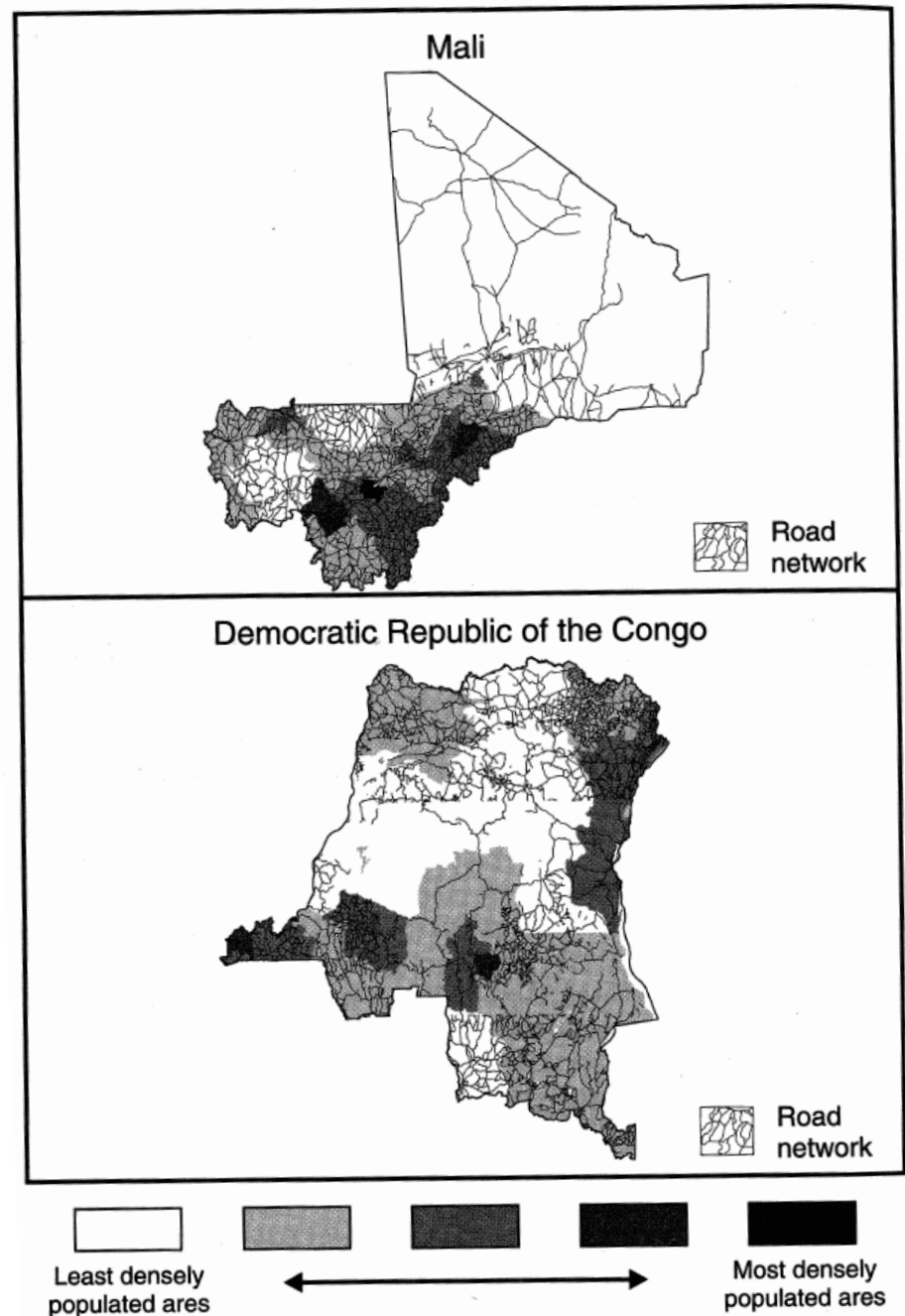


Figure 5.7. Mali and D.R.O.C. Compared

# 1. Most difficult

- Large, dense, but non-contiguous populations
  - Difficult to consolidate power
  - Different groups and ethnicities consolidate around different symbols and systems

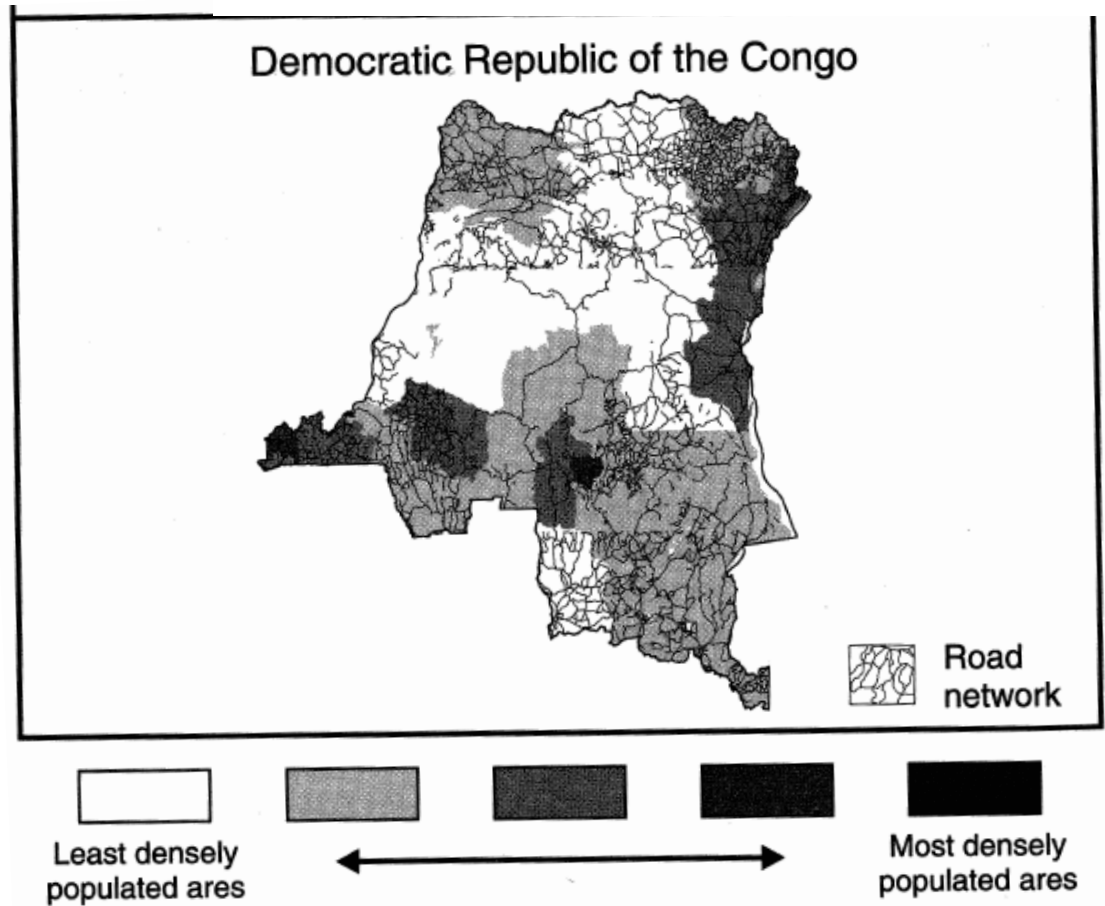
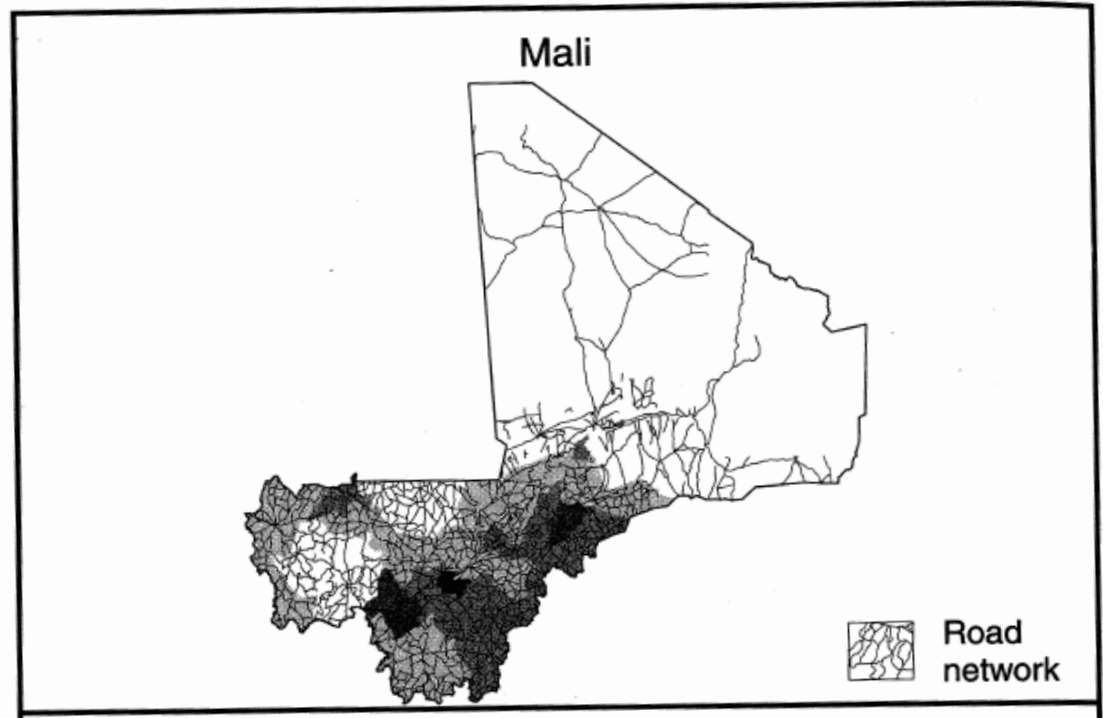


Figure 5.7. Mali and D.R.O.C. Compared

## 2. Hinterlands

- Large, countries, undispersed populations
  - Often Sahelian
- Capital is challenged to control the periphery
- But at least government is close to the population





# 3. Favorable geographies

- Smaller size
- Dense populations near capital
- No large hinterland
- Easier to exert authority over populations

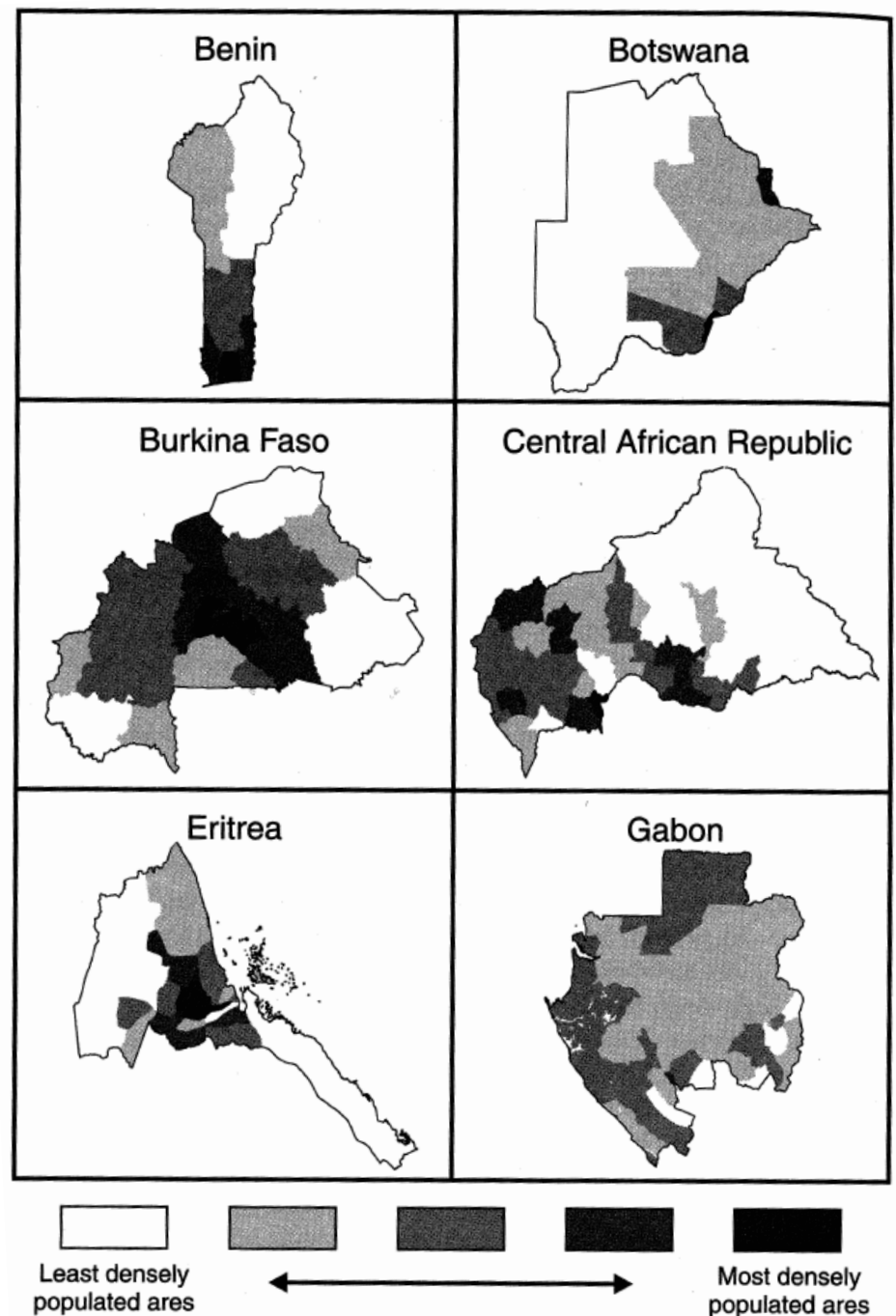


Figure 5.3. Countries with Favorable Geographies

So was colonialism a  
good or bad thing?

It depends

# There is a great deal of variation across the colonized

1. Introduced statehood to otherwise stateless societies?
  - Promotes development through stability and defense, public goods and investment
2. Imposed statehood is clumsy or arbitrary?
  - Limits stability and investment
3. Increases inequality and strengthens autocracy?
  - Limits prospects for modern economic growth
  - In extreme, could lead to instability and state dissolution
4. Introduced factors that stimulate growth (and possibly institutions)
  - Human capital, life-saving medicines, lower transport and transaction costs, productive technology
5. Exterminate population and ship in Europeans?
  - Who bring in the state, institutions, human capital, technology...

# Helps to ask: What is the counterfactual?

1. Left to its own devices?
  - Internal warfare until state development (and economic development) takes place?
  - Stagnation?
2. Conquering and colonization by another?
  - Germans, Turks, Russians, Americans, Chinese...
  - Colonization was, in large part, a realpolitik move: take for yourself so others do not
3. “Enlightened” engagement?
  - Trade, alliances, diplomacy...
  - Is this the tack taken in the past 50 years?