Colonialism and Economic Development in Sub-Saharan Africa

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Introduction

- Africa is the poorest continent in the world in terms of GDP per-capita and the majority of the world’s poor live in Africa.

- Good institutional explanations for this today
  
  - at the macro level: predatory and kleptocratic rule, weak states unable to enforce rules or order, lack of mechanisms of national accountability allowing rent extraction.
  
  - at the micro level: mechanisms for allocating land, lack of mechanisms of local accountability (chiefs), social institutions of mutual obligation.

- Many historical processes have shaped this outcome

  1. The slave trade
  2. Distinct dynamics and nature of political centralization
  3. European colonialism
  4. Post-independence national building and identity formation and integration with the world
There are at least three views

1. Too short to influence anything (Jeffrey Herbst)
2. The Eccentric Consensus: colonial officials and academics such as Peter Bauer and Niall Ferguson agree with Marxists like Lenin and Bill Warren’s *Imperialism: Pioneer of Capitalism* that colonialism stimulated economic growth in Africa: it brought modern institutions, technologies and organizational forms and Europeans would not have bothered understanding what caused tropical diseases if they had not been intent on colonization.
3. Most important source of African underdevelopment - the locus classicus of which is Walter Rodney’s *How Europe Underdeveloped Africa*.
I want to survey what evidence is relevant and what are the methodological challenges that have to be overcome in reaching a conclusion about the impact of European colonialism on economic development in Africa.

This is a positive question not a normative one (which is much simpler to answer I think).

Implicit in Acemoglu, Johnson and Robinson’s work was that colonialism had very heterogeneous effects which depended on how it interacted with other conditions (e.g. density of indigenous population, disease environment for Europeans).

This would suggest that trying to estimate the average effect of colonialism might not be very interesting.

But in Africa the extent of heterogeneity it muted compared to the entire colonial world so I shall attempt to come to a highly speculative conclusion about the balance of the evidence.
Roadmap

1. Economic development before, during, and after colonialism.
2. Impact of colonialism on living standards of Africans.
3. Three types of colonies.
4. Plausible counter-factuals.
5. Institutional Legacies with special reference to ongoing research in Sierra Leone,
6. Conclusions.
Economic Development in Africa prior to the Scramble

Economic Institutions

A key point for those who argue colonialism was good for development is that Africa was very poor and technologically backward in 1885 and did not have the economic or political institutions necessary for growth.

1. Even in the late colonial period most Africans were engaged in subsistence activities outside of the formal economy.
2. Technology was backward - absence of the wheel and plow.
3. Slavery was endemic in the 19th century, with various estimates suggesting that in West Africa the proportion of slaves in the population was between 1/3 and 1/2 (Lovejoy, 2000).
4. States tended to heavily limit the extent of private enterprise, for instance in Asante (Wilks, 1979) and Dahomey (Law, 1977, Manning, 2004).
5. Ownership structure and allocation of land by chiefs not conducive to development (Goldstein and Udry, 2008).
Table 6. Adult Male Population in Commercialized and in Subsistence Production, 1950
(Percentage of total male population over fifteen years of age)

<table>
<thead>
<tr>
<th>Territory</th>
<th>Commercialized production</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Within indigenous economies</td>
<td>In outside wage earning</td>
<td>Total</td>
<td>Subsistence production</td>
</tr>
<tr>
<td>Belgian Congo</td>
<td>29</td>
<td>30</td>
<td>59</td>
<td>41</td>
</tr>
<tr>
<td>French Equatorial Africa</td>
<td>23</td>
<td>15</td>
<td>38</td>
<td>62</td>
</tr>
<tr>
<td>French West Africa</td>
<td>18</td>
<td>5</td>
<td>23</td>
<td>77</td>
</tr>
<tr>
<td>Gold Coast</td>
<td>64</td>
<td>15</td>
<td>79</td>
<td>21</td>
</tr>
<tr>
<td>Kenya</td>
<td>5</td>
<td>25</td>
<td>30</td>
<td>70</td>
</tr>
<tr>
<td>Nigeria</td>
<td>39</td>
<td>4</td>
<td>43</td>
<td>57</td>
</tr>
<tr>
<td>Southern Rhodesia</td>
<td>9</td>
<td>40</td>
<td>49</td>
<td>51</td>
</tr>
<tr>
<td>Tanganyika</td>
<td>18</td>
<td>19</td>
<td>37</td>
<td>63</td>
</tr>
<tr>
<td>Uganda</td>
<td>29</td>
<td>12</td>
<td>41</td>
<td>59</td>
</tr>
<tr>
<td>TOTAL</td>
<td>27</td>
<td>13</td>
<td>40</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Calculations based on averages between upper and lower limits shown in table 3, above. See text for further explanation of derivation of figures.
Economic Development in Africa prior to the Scramble
Political Institutions

- Most crucial aspect is the relative lack of political centralization compared to Eurasia.
- This can been seen from Louis Putterman’s state antiquity index which measures the length of period which people have lived under centralized states.
- The importance of this for development can be seen from case-study evidence (not a coincidence that only centralized states like Asante, Buganda, Dahomey and Ethiopia built real roads).
- Also evidence from the Standard Cross Cultural Sample show strong positive correlations between political centralization, public goods and development outcomes.
Index of State Antiquity
(Bockstette, Chanda and Putterman (2002))

Year

Index of State Antiquity

Europe
Asia
Middle East
Sub-Saharan Africa
Latin America and Caribbean
North America
Oceania
<table>
<thead>
<tr>
<th></th>
<th>Market exchange</th>
<th>Mode of transport</th>
<th>Land transport routes</th>
<th>Availability of credit</th>
<th>Money</th>
<th>Police</th>
<th>Writing and record-keeping</th>
<th>Metal smelting</th>
<th>Property rights in land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Centralization</td>
<td>0.252***</td>
<td>0.432***</td>
<td>0.425***</td>
<td>0.221***</td>
<td>0.486***</td>
<td>0.927***</td>
<td>0.678***</td>
<td>0.0784***</td>
<td>0.167**</td>
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<tr>
<td></td>
<td>(0.122)</td>
<td>(0.0798)</td>
<td>(0.0497)</td>
<td>(0.0665)</td>
<td>(0.0869)</td>
<td>(0.0724)</td>
<td>(0.0754)</td>
<td>(0.0266)</td>
<td>(0.0729)</td>
</tr>
<tr>
<td>Observations</td>
<td>95</td>
<td>183</td>
<td>179</td>
<td>168</td>
<td>182</td>
<td>178</td>
<td>184</td>
<td>184</td>
<td>97</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.093</td>
<td>0.398</td>
<td>0.459</td>
<td>0.252</td>
<td>0.395</td>
<td>0.483</td>
<td>0.595</td>
<td>0.320</td>
<td>0.249</td>
</tr>
</tbody>
</table>

**NOTES:** Dependent variables in columns (1) to (9) are as follows: market exchange within local community (var. §1733), mode of land transport (head porterage, wheeled vehicles, motorized vehicles, etc.) (var. §13), types of land transport routes (trails, unpaved roads, paved roads, etc.) (var. §14), availability of credit (var. §18), use of money as medium of exchange (var. §17), presence of police service (var. §90), availability of writing and record-keeping (var. §149), metal smelting (var. §129), and communality of land (var. §1726) — this variable is re-scaled, so that higher values refer to the availability of property rights in land. All columns include continent fixed effects and controls for geographic characteristics and the disease environment. Continent fixed effects provide separate intercepts for 5 regions: Africa, Mediterranean, Eurasia, the Pacific, North America and South America. Geographic controls are for longitude and latitude. Disease environment controls are for total pathogen stress (SCCS var. §1260), which is a measure of prevalence and severity of seven pathogens (leishmanias, trypanosomes, malaria, schistosomes, filariae, spirochetes, and leprosy). Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.
Trends

True, but not necessarily relevant for the question. We need to know about the trend not the level and because institutions prior to 1885 were poor does not imply that colonialism made them better than they otherwise would have become.

1. Economic Trends - many studies suggest this was positive: ‘period of legitimate commerce’ in West Africa, Colin Bundy’s study of the commercialization of the Transkei and the Ciskei, Isaac Schapera’s and Neil Parson’s studies of modernization by the Tswana tribes.

2. Political Trends - though political centralization lagged relative to Eurasia there was a clear trend in many parts of Africa in the 19th century towards greater centralization and states such as Asante (Wilks, 1979) and Buganda (Reid, 2002) were becoming more centralized and bureaucratized. Arthur Abraham’s discussion of Mendeland for an intermediate case.
Map 4. TENTATIVE RECONSTRUCTION OF MENDE STATES
MID-NINETEENTH CENTURY

Economic Development in Africa during and after colonialism.

- The broad pattern of GDP per-capita is that on average this increased during colonialism (in the places for which there is reliable data) relative to the base year of around 1885.
- Europeans brought technology, such as railways and mining techniques and integrated their colonies more fully into world trade taking advantage of existing patterns of comparative advantage.
- Nevertheless, the rates of economic growth were extremely modest.
- Existing incomplete data also suggests that stature and life expectancy improved as did literacy and educational attainment from very low bases (Prados de la Escosura, 2011).
- After independence much of this went into reverse (see slide), even increasing height (Cogneau and Rouanet (2011) and Austin, Baten and Moradi (2011) on Ghana).
GDP Per-Capita in Sub-Saharan Africa, 1870-2008

Source: Angus Maddison
Primary School Enrollment Rate, 1870-1940

Life Expectancy at Birth

Living Standards for Africans

- Even if there may have been a correlation between the colonial period and improvements in average living standards this does not imply that Africans incomes increased with colonialism.
- This can easily be seen from a simple calculation in the cases where Europeans expropriated large amounts of land (Angola, Kenya, Mozambique, Namibia, South Africa, Zimbabwe).
Economic Consequences of the Natives Land Act of 1913

- Let $L$ be the total stock of land and $N$ be the black workforce.
- Denote $w^b$ the living standards of Africans before land expropriation and $w^a$ the level afterwards.
- Assume (improbably) that Africans are paid the value of their marginal product.
- Prior to land expropriation we have
  \[ w^b = \alpha AN^{1-\alpha} L^{\alpha-1} \quad (1) \]
  where $A$ is total factor productivity and $0 < \alpha < 1$ is a constant.
- Now the Native Land Act of 1913 allocated 7\% of land to Africans we have that after land expropriation African living standards are given by
  \[ w^a = \alpha A ((0.07) N)^{1-\alpha} L^{\alpha-1} \quad (2) \]

Now divide (2) by (1) to derive
\[ \frac{w^a}{w^b} = (0.07)^{1-\alpha} \]
If all factor and product markets are competitive then we can calibrate this equation by setting $\alpha$ equal to the share of wages in national income.

This is a rather heroic set of assumptions in the context of 1913 South Africa. Nevertheless, imagine it were true. Then, for $\alpha = 2/3$ we get $\frac{w^a}{w^b}$ is approximately 0.5 suggesting that expropriating 93% of the land would lead to a 59% decline in African living standards.

That this figure is reasonable is seen from looking at de Zwart’s (2011) data. Though his data comes only from the Cape Colony and is before the 1913 Land Act he finds an approximate 50% fall in African real wages. Bowden and Mosley (2010) for Kenya and Zimbabwe. Wilson (1972) found a smaller fall for gold miners.

One consequence was massive increases in inequality (Bigsten, 1986).
Real Wages for Africans in South Africa

Real Wages for Africans in Kenya and Zimbabwe

Rising Income Inequality in Settler Colonies

GINI coefficient Kenya

Frankema and van Waijenburg (2011) have collected data on nominal wages and prices extracted from colonial Blue Books to construct real wage series for a number of British African colonies.

This data (if I understand it) represents only the formal economy, a small part of the labor market.

Nevertheless, though there are examples of quite large falls in real wages, for example in Uganda and Southern Nigeria, there is also evidence of improvements in real wages for the colonial period taken as whole, for example in Ghana and Sierra Leone.
Real Wages for Africans in other British Colonies

Three Types of Colonies

The above discussion suggests that it is useful to distinguish between different types of colonies where the development impact may have been different.

1. Those with a centralized state at the time of Scramble for Africa, such as Benin, Botswana, Burundi, Ethiopia, Ghana, Lesotho, Rwanda, and Swaziland.

2. Those of white settlement, such as Kenya, Namibia, South Africa, Zimbabwe, and probably the Portuguese cases of Angola and Mozambique as well.

3. Everyone else - colonies which did not experience significant white settlement and where there was either no significant pre-colonial state formation (like Somalia or South Sudan) or where there was a mixture of centralized and uncentralized societies (like Congo Brazzaville, Nigeria or Sierra Leone).
Reasonable to assume that all groups would have continued to experience the type of contact with the rest of the world they had had prior to the Scramble for Africa and which impinged on them when they were colonies and afterwards.

1. This implies missionaries would have gone to convert people and built schools (Nunn, 2009, Frankema, 2010, 2011).
2. The League of Nations would have tried to abolish coerced labor.
3. The World Health Organization would have tried to disseminate medical technology.
4. The World Bank and IMF would have lent them technical assistance and money.
5. The Cold War would have intervened in much the same way.
Plausible Counter-Factuals

Institutional Trends

- Assume that the trends in economic and political institutions we can discern in the 19th century would have continued (obviously very heterogeneous).
- States in the process of centralization (Asante, Buganda) and institutional reform (Tswana states) would have carried on with this process.
- Polities lacking states, Somalia, South Sudan, would not have acquired them.
- African countries would have continued to export, as many had prior to 1885 and they would have tried to adopt technology (e.g. Asante and Ethiopia with railways).
Institutional Legacies
Positive Arguments

- Europeans ended slavery, introducing modern legal systems and methods of administration and eventually constructing modern democratic institutions.
- Economic institutions improved, not just because slavery was abolished but also because Europeans made property rights secure and brought to an end conflicts within African society (which they had previously heavily exacerbated by generously supplying anyone who could pay with firearms, Inikori, 1977).
- They also started schools where there were none.
Institutional Legacies
Negative Arguments

1. Perverse effects of particular colonial institutions, such as agricultural marketing boards (Bates, 1981).
2. Colonialism created an arbitrary state system which has led to political conflicts, instability and dictatorship (Engelbert, 2000).
3. Colonial authorities created “gate-keeper states” which were only interested in ruling rather than in developing the countries and these have left a path dependent legacy (Cooper, 2002).
4. The political authoritarianism of the colonial state is a direct source of the authoritarianism that has plagued Africa (Young, 1994) (Smith and Mugabe).
5. Structure of colonial indirect rule warped local institutions of accountability making them more autocratic (Mamdani, 1996).
6. Colonialism created and shaped identities and cleavages in dysfunctional ways (Hutu and Tutsi).
Consequences of Indirect Rule in Sierra Leone

- In ongoing research we exploit the history of chieftaincy in Sierra Leone to develop a plausibly exogenous source of variation in the power of paramount chiefs across chieftaincies to investigate their impact on economic outcomes, peoples’ attitudes and social capital.
- In Sierra Leone, British colonialism transformed society in 1896 by empowering a set of paramount chiefs as the sole authority of local government in the newly created Sierra Leone Protectorate.
- The paramount chiefs and the chiefs under them remained effectively the only institution of local government until the World Bank sponsored creation of a system of local councils in 2004.
- These paramount chiefs are elected for life by a Tribal Authority made up of local notables.
- Only individuals from the designated “ruling families” of a chieftaincy, the aristocracy created and given exclusive right to rule by the British at the initiation of the system in 1896, are eligible to become paramount chiefs.
Chieftaincies in Sierra Leone

King Suluku's Country
Sando
Kayima, Sando Chieftaincy, Sierra Leone, December 2009

Suluku’s Tomb
Chief Suluku’s great grandson, Paramount Chief Sheku Fasaluku
The Ruling Families

- The number of ruling families is a natural constraint on the ability of the paramount chief to exploit the power of the chieftaincy.

- The Tribal Authority is analogous to an electoral college. An increased number of families will mean there are more interest groups within the college one must appease to be elected; satisfying a greater plurality of interests should be more difficult when there are more families, and so it should be more difficult to concentrate power in one family. Even if one family is able to dominate the chieftaincy for many generations, an increased number of families implies a greater potential for the family to lose the paramount chieftaincy in an election.

- This creates a potent (though often off-equilibrium path) threat that will discipline paramount chiefs, forcing them to govern better.
Identification

- We argue, using historical case study and regression evidence, that the number of ruling families in a chieftaincy was determined largely by idiosyncratic historical events and is plausibly exogenous to outcomes today, providing an attractive source of variation to test the long-run effects of the power of the institution.
- We study the history of the ruling families in a sample of chieftaincies, documenting that their origins are highly heterogenous and often the result of historical accident, such as the availability of a male heir, or the number of leaders in an invading war party.
- We also show that the number of ruling families is uncorrelated with the level of development before the creation of paramount chiefs as measured by tax assessments per chieftaincy of the British colonial government in the late 1890s.
- It is also uncorrelated with a variety of other variables that might impact subsequent development, including distance to navigable rivers, distance to the railway and distance to coast.
Table 3: Tests of the exclusion restriction

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>(1) Tax (£100)</th>
<th>(2) Tax (£100)</th>
<th>(3) Tax per km² (£)</th>
<th>(4) Tax per km² (£)</th>
<th>(5) Distance to coast (km)</th>
<th>(6) Distance to river (km)</th>
<th>(7) Distance to rail (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td># families</td>
<td>0.01</td>
<td>-0.17</td>
<td>-0.00</td>
<td>-0.00</td>
<td>-4.32</td>
<td>-0.27</td>
<td>-0.32</td>
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<td></td>
<td>(0.12)</td>
<td>(0.14)</td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(2.17)</td>
<td>(0.28)</td>
<td>(1.16)</td>
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<td>$R^2$</td>
<td>0.00</td>
<td>0.36</td>
<td>0.00</td>
<td>0.29</td>
<td>0.02</td>
<td>0.01</td>
<td>0.00</td>
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<td>ln(# families)</td>
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<td>-0.71</td>
<td>-0.00</td>
<td>-0.00</td>
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<td>-1.09</td>
<td>-1.96</td>
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<tr>
<td></td>
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<td>(0.56)</td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(9.86)</td>
<td>(1.07)</td>
<td>(4.66)</td>
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<tr>
<td>$R^2$</td>
<td>0.00</td>
<td>0.35</td>
<td>0.00</td>
<td>0.29</td>
<td>0.02</td>
<td>0.01</td>
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<td>87</td>
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<td>NO</td>
<td>YES</td>
<td>NO</td>
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<td>3.46</td>
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<td>0.01</td>
<td>105</td>
<td>9</td>
<td>44</td>
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<tr>
<td>Dependent variable s.d.</td>
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<td>3.37</td>
<td>0.01</td>
<td>0.01</td>
<td>66</td>
<td>7</td>
<td>30</td>
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</tbody>
</table>

Notes: Robust standard errors in parentheses.
The Data Collection

- To measure the number of families, we conducted a survey in 2011 of "encyclopedias" (elders who preserve the oral history of the chieftaincy) and the elders in all of the ruling families of all 149 chieftaincies.

- The government maintains no official list of ruling families, there is agreement within chiefdoms about their identity.

- We used the survey to re-construct the history of the chieftaincy for as far back as our respondents could recall. This included the names of the paramount chiefs, which ruling family they were from, and the dates they were elected.

- We also collected information on the origins of the chieftaincy and of each of the ruling families.

- We are the first to our knowledge to have constructed a comprehensive history of the chieftaincy in Sierra Leone.
Figure 1: Map of Sierra Leone’s chiefdoms with the number of families plotted by quintiles.
Ruling Families and Chief’s Power

- We first show the link between the number of families and the concentration of power within the chieftaincy.
- To do this we use our data to construct two measures of power concentration:
  1. A Herfindahl index of power holding across ruling families which ranges from 1 if the paramount chief has always been from a single ruling family, and decreases as power holding becomes more distributed across different ruling families;
  2. The number of times the paramount chieftaincy was held by the family that has held it the most times.

- We show that areas where the British recognized fewer ruling families have a larger Herfindahl index and also that the most dominant family has elected a greater number of paramount chiefs. This shows that institutions with a looser constraint in the number of ruling families have been more open to capture by single families.
Figure 2: Number of families and concentration of power
Impact of the Number of Ruling Families on Development

- We then show there is a significant positive relationship between the number of families on the one hand, and human capital outcomes, such as literacy and educational attainment, and also the proportion of people working outside of agriculture (which is a useful proxy for the economic development in view of the fact that there is no micro data on incomes in Sierra Leone) on the other.

- Quantitatively, the effects are substantial: Moving from 1 ruling family to the mean of 4 increases literacy by one standard deviation, or 6 percentage points, and increases non agricultural employment by 1 percentage point, from a base of only 3 percent.

- These results are in line with the “chiefs as despots” view.
Table 4: Development outcomes: Results

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Literacy</th>
<th>Primary school attainment</th>
<th>Secondary school attainment</th>
<th>Non-agricultural employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>ln(# families)</td>
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<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
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<td></td>
<td>(0.01)</td>
<td>(0.01)</td>
<td>(0.02)</td>
<td>(0.01)</td>
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<td>Observations</td>
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<td>1,544,668</td>
<td>1,538,227</td>
<td>1,537,948</td>
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<tr>
<td>$R^2$</td>
<td>0.02</td>
<td>0.13</td>
<td>0.03</td>
<td>0.13</td>
</tr>
<tr>
<td>District FE</td>
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<td>YES</td>
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<td>YES</td>
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<tr>
<td>Demographic Controls</td>
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<td>YES</td>
<td>NO</td>
<td>YES</td>
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<td>Dependent Variable Mean</td>
<td>0.23</td>
<td>0.24</td>
<td>0.14</td>
<td>0.04</td>
</tr>
</tbody>
</table>

Notes: Dependent variables are dummies from the 2004 census. Literacy and primary school attainment regressions are restricted people born in the chiefdom before 1979. Secondary school attainment is restricted to people born in the chiefdom before 1973. These regressions then include only those who had the opportunity finish primary or secondary school before the beginning of the civil war in 1991. Similar results obtain using the whole population. Non-agricultural employment regressions include all people over the age of 10. Demographic controls include gender, ethnicity and primary education dummies, age and age squared. All specifications include 12 district fixed effects, the number of chieftaincy seats observed, and a dummy for whether the chiefdom is an amalgamation chiefdom.
Balance of the Evidence

In the first two types of colonies there is a clear case for colonialism retarding development

1. Colonies which corresponded to a pre-colonial polity: there was the essentials of order and public goods provision which could have been the basis for development, colonialism stopped the existing dynamics of centralization and severed links of accountability (indirect rule) and in many cases created/intensified conflicts.

2. Colonies of large scale white settlement: mass immizerization associated with land expropriation, creation of huge inequalities, institutionalized racism. These colonies were more successful on average during colonialism, but had worse problems to deal with afterwards (Zimbabwe).

Many of these mechanisms of course operated in the third type of colony.
Case Study: Ghana

Negatives

- In Ghana a large centralized state, Asante (involved in trade, building roads, trying to build railways), placed into a “nation state” consisting of a plethora of groups who lacked a national identity and working social contract and saw Asante dominance as the threat.
- Asante chiefs were made into the tools of indirect rule.
- Independence politics dominated by Nkrumah and an anti-Asante coalition initiating a cycle of anti-Asante and pro-Asante regimes. Today the two main political parties revolve around this cleavage.
- The fight for power after 1957 led to political instability, coups, military rule, the expropriation of the cocoa farmers. The nature and structure of this conflict was entirely a legacy of the colonial state.
- A plausible counter-factual is that Asante would have expanded and formed a “nation state”. This might not have been developmental, but it would have avoided indirect rule and the political instability which undermined the economy for 25 years.
Case Study: Ghana

Positives

- Could it have been that colonialism brought enough to Ghana to offset these negative mechanisms? I believe the answer is no.
- Economic growth during the colonial period was a purely African development which would plausibly have occurred without British intervention (Hill, 1963, Austin, 2005).
- The allocation and regulation of land were made less efficient by indirect rule (Colson, 1971, Goldstein and Udry, 2008).
- Location of infrastructure was determined by the desire to rule as much as develop and the only reason that Asante had not previously built a railway to the coast was because the British colonial office had blocked it (Chaves, Engerman and Robinson, 2012).
- Missionaries were the driving force behind educational expansion in British colonies and a reasonable counterfactual is that absent colonization the missionaries would have come anyway (Frankema, 2010, 2011).
Colonialism and Institutions: Slavery

- Many colonists argued that the abolition of slavery was a key goal and payoff of colonial rule. But...

1. It took a long time to abolish slavery in most African colonies. For example, in Sierra Leone it was only finally made illegal in 1928, in Ghana 1930 and in Nigeria 1936.

2. Not clear to what extent slavery vanished because of these laws (which had to be enforced) or because of economic changes. At least in the Ghanaian case such changes had little to do with the colonial powers (see, Austin, 2008).

3. The colonial state extensively used forced labor to build infrastructure.

4. Slavery was coming to an end everywhere in the world in the 20th century and not clear that slavery ended any faster in colonies. Slavery was abolished in 1915 in Thailand and 1928 in Iran. Even in Africa the non-colony of Liberia was forced by international pressure in the 1920s to abolish, if not slavery, then something very close to it.

Colonialism and Institutions: Private Property Rights

- We can actually say something empirically about this as the result of a very innovative project organized by Johannes Fedderke and his colleagues and students who have been coding institutional variables for a large number of African countries during the colonial period.

- The data has drawbacks
  1. It focuses on the laws and de jure situation.
  2. It does not tell us about the institutional impact of the transition to colonialism

- But it tells us many interesting things. Here I examine the property rights index.

- This data does not suggest to me that European colonialism brought benefits in terms of better private property rights.
Private Property Rights Index

Source: Johannes Fedderke and colleagues.
Conclusions

- I summarized some of the facts and conceptual issues relevant to determining the impact of colonialism on the development of Africa.
- Two types of colonies are likely less developed today than they would have been absent colonialism.
- Africa was the poor and technologically backward in the first half of the 19th century. Nevertheless, so were other parts of the world, Japan, Thailand, most of Latin America, and they are much more prosperous today.
- Colonialism did bring some benefits in terms of technology, peace and an access to and implantation of modern institutions. Yet little attempt was really made to make such benefits endure, and many were restricted to the colonial period. They also brought racism, discrimination, inequality and seriously warped many African political and economic institutions.
- Once the European powers left, much of what was positive was ephemeral and went into reverse while many of the negatives endured.