

# THE ‘REVERSAL OF FORTUNE’ THESIS AND THE COMPRESSION OF HISTORY: PERSPECTIVES FROM AFRICAN AND COMPARATIVE ECONOMIC HISTORY<sup>†</sup>

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**Abstract:** Acemoglu, Johnson and Robinson have dramatically challenged the tendency of economists to confine their empirical search for the causes of economic growth to the recent past. They argue that the kind of institutions established by European colonialists, *either* protecting private property *or* extracting rents, resulted in the poorer parts of the pre-colonial world becoming some of the richest economies of today; while transforming some of the more prosperous parts of the non-European world of 1500 into the poorest economies today. This view has been further elaborated for Africa by Nunn, with reference to slave trading. Drawing on African and comparative economic historiography, the present paper endorses the importance of examining growth theories against long-term history: revealing relationships that recur because the situations are similar, as well as because of path dependence as such. But it also argues that the causal relationships involved are more differentiated than is recognised in AJR’s formulations. By compressing different historical periods and paths, the ‘reversal’ thesis over-simplifies the causation. Relatively low labour productivity was a premise of the external slave trades; though the latter greatly reinforced the relative poverty of many Sub-Saharan economies. Again, it is important to distinguish settler and non-settler economies *within* colonial Africa itself. In the latter case it was in the interests of colonial regimes to support, rather than simply extract from, African economic enterprise. Finally, economic rent and economic growth have often been joint products, including in pre-colonial and colonial Africa; the kinds of institutions that favoured economic growth in certain historical contexts were not necessarily optimal for that purpose in others. AJR have done much to bring development economics and economic history together. The next step is a more flexible

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<sup>†</sup>An earlier version of this paper was presented at the Second European Congress of World and Global History, Dresden, July 2008. Tirthankar Roy, Debin Ma and an anonymous reader made valuable comments on the final draft. I am grateful for all the comments received.

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**Keywords:** Africa; colonial rule; cross-country regression analysis; economic growth; economic history; economic rent; history; slave trade

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## 1 INTRODUCTION

Daron Acemoglu, Simon Johnson and James A. Robinson (AJR)'s 'reversal of fortune' (RF) thesis is already perhaps the most discussed contribution to the economics of growth and development since Arthur Lewis's model of development 'with unlimited supplies of labour', nearly half a century before (Lewis, 1954; Acemoglu *et al.*, 2001, 2002b, 2005). Their use of econometrics to investigate and ultimately support the proposition that the distribution of income among Europe's former colonies is primarily a function of where Europeans were and were not able and willing to settle in sufficient numbers to inscribe their characteristic institutions, especially regarding private property rights, as opposed to extracting rents from the indigenous populations, has also provoked great interest among economic historians. So has their related, and even more far-reaching, historical claim that this dual pattern of colonisation reversed the distribution of income between the regions that Europeans conquered, such that the parts of the world that were poorest ca. 1500, when Europeans embarked on overseas empire, are among the richest today; whereas, they argue, the poorest regions today were relatively prosperous before colonisation. Most of the published reactions have come from economists (e.g. McArthur and Sachs, 2001; Glaeser *et al.*, 2004; Olsson, 2004; Bardhan, 2005; Pande and Udry, 2005; Alouy, 2006). Recently, C. A. Bayly has provided the first detailed published response from a social historian, with reference mainly to 19th-century India (Bayly, 2008). The present paper offers one economic historian's reflections on the RF thesis: its methods, historical claims and implications for theory and policy. Drawing on African and comparative economic historiography, the argument here underlines the value of examining growth theories against long-term history, thereby revealing relationships that recur because the situations are similar, as well as because of path dependence as such. But I also argue that the causal relationships involved are more differentiated than AJR's formulations recognise.

Lewis's ideas owed much to his reading on the British industrial revolution (Tignor, 2006: 83–84, 90–93). Since then, however, the attention given to history within economics departments has waned. Despite this decline, most economists have little difficulty in seeing the behaviour of the older industrial economies today in the context of patterns and paths of institutional evolution, investment and policy experience going back at least to the original industrialisation of Europe, its overseas 'off-shoots', and Japan. For economic historians of these countries, the main interest of AJR's work is perhaps what it offers towards over-coming two limitations of the 'new institutionalist' economic historiography associated with Douglass North, which already emphasised the political delivery of secure private property rights as the key to long-term economic growth (North and Thomas, 1973; North, 1981, 1990): the apparent difficulty of testing the institutionalist approach quantitatively, and the insufficiency of the theory for explaining why institutions that were apparently favourable for economic growth were adopted in some countries but not in others (cf. Bates, 1995; North, 1997).

For economists and economic historians studying Africa the significance of the RF thesis is more fundamental. A few development economists have made notable contributions to Sub-Saharan economic historiography (especially Mosley, 1983, Sender and Smith, 1986). But before AJR, most economists' studies of Africa were written as if its economic history had begun only with the recovery of political independence from Europe (Manning, 1987). To historians of Africa the RF thesis tends to sound like a rational-choice, optimistically quantified version of the Dependency theory that was so influential in the 1970s (*How Europe Underdeveloped Africa*, in the words of Walter Rodney [Rodney, 1972]). But among economists, it has stimulated new research projects on the long-term course and causes of Africa's economic fortunes, and rather greater awareness of the research already done by historians and economic historians on those periods. A methodological attraction of the thesis, for economic historians as well as economists, is its apparent logical economy: its attempt to explain so much history with so economical an explanation may be seen as exemplifying the Ockhamite principle, celebrated in Milton Friedman's classic essay on 'positive economics', of 'explaining much by little' (Friedman, 1953).

Sub-Saharan Africa features large in AJR's expositions, and provides 23 of the 64 countries in their 'base sample', although their overall conclusions are not dependent on its inclusion (Acemoglu *et al.*, 2001, 2006). Very recently, papers by Nathan Nunn focussed on the external slave trades and their legacy have sought to elaborate, theoretically and empirically, upon the Africa strand in the RF thesis (Nunn, 2007, 2008). The majority of the existing critiques of the thesis have adopted the macro-econometric approach of the original authors. Within that, they have focussed on the choice of variables within the regression exercise. Instead, the argument here focusses upon three issues that are characteristic concerns of historians (though not exclusive to them).

The first is the quality of the evidence, especially for the baseline of ca.1500. While empirical evidence exists for African economies around that date, it is very limited, and the best of it is not quantitative. The second issue is historical agency. On the face of it, the 'reversal of fortune' thesis runs counter to a central theme of African historiography: the fundamental importance of Africans as makers of African history.<sup>1</sup> We will consider how far the thesis can accommodate this. The third issue is the most far-reaching. This is the problem of what might be called 'the compression of history'.

It arises from AJR's method of comparing two moments, nearly half a millennium apart (1500 and 1995). Quite simply, there was so much history between the two that the identity of the actors and categories in the analysis—the content of 'colonial rule' and 'property rights', for example—is far from stable across the era(s). This is a bigger question than the related issue of whether the results are robust for different pairs of dates. Compression of history occurs horizontally as well as vertically, conflating different 'paths' of economic history as well as different periods, as a result of the other binary comparison made in the research design: the division of European colonies across five continents into just two groups, 'settler' and 'non-settler' colonies, with the African countries being seen as part of the latter. A key complication is that the division between colonies with and without European settlement operated within Africa itself, creating—or perhaps being part of—a different kind of historical path than that taken by the non-settler economies of the continent. Consideration of this third historical issue highlights a basic conceptual problem with the way in which the RF thesis has been framed: the treatment of economic growth and

<sup>1</sup>This theme is taken up, in a different way and with Indian examples, in Bayly, 2008.

economic rents as if they are necessarily opposites; which is belied by much of the history of both Africa and the West.

Below, Section 2 summarises the RF thesis. Section 3 considers data quality, focussing on ca.1500. Then the focus moves to the historical issues. For simplicity, and to underline the importance of distinctions of period, this part of the argument is divided chronologically, into sections on the slave trade, colonial and post-colonial eras. Section 4 argues that the Atlantic and other external slave trades aggravated but did not cause the original gap in labour productivity between Sub-Saharan Africa and the regions to which African slaves were taken as labourers. Thus there was no reversal of fortune for Sub-Saharan Africa, but rather a deepening of relative poverty. For the colonial period, Section 5 argues that it was often in the economic and political interests of colonial administrations in the non-settler colonies within Africa to permit or encourage—rather than to repress—African enterprise in order to capitalise on the economy's comparative advantage. Meanwhile, in those African economies where settlers could influence or control government policy, they favoured import-substituting industrialisation. The results were mixed, but there is strong evidence of economic growth and welfare improvements where African agricultural capitalism was able to operate effectively, as in Ghana and Nigeria. Thus, while the economic gap with the West continued to widen, the story of institutions and colonial economies in the late 19th century and the early-mid 20th century was far from being limited to overseas extraction at the expense of domestic growth. Section 6 comments on the colonial institutional legacy and post-colonial economic performance. Section 7 reflects on the theoretical and historical implications of the African discussion in relation to the economic experience of other continents: focussing on the issue of economic rents and—rather than necessarily versus—economic growth.

## 2 SUMMARY OF THE 'REVERSAL OF FORTUNE' THESIS

The novelty of AJR's thesis lies not in the Northian conclusion that institutions are 'the fundamental cause of long-term growth', but rather in the global scale and technical audacity of their quantitative investigation. Their method is cross-country regression analysis, familiar from a generation of growth studies based on time-series running over recent decades, but boldly applied by AJR to a comparison of two cross-sections nearly 500 years apart. With this they compare the economic development of the overseas territories colonised (sooner or later) by Europeans, as it stood in 1995 (in GDP per head) and back in ca.1500 (for which GDP per head is unknown, so they use proxies: population density and urbanisation).

Their first conclusion is that the parts of the non-European world that were most developed before European conquest were among the poorest countries on the planet by the time they were decolonised; whereas the reverse applied to the poorest parts of the non-European world as of 1500, for by the later 20th century they were among the richest countries of all. It is not controversial to claim that North America and Australasia grew faster than Central and South America, Africa and South and Southeast Asia over this era as a whole, albeit with most of the divergence happening in the last third of it. Where the different continents, and parts thereof, stood in 1500 is less clear.

The explanation for this 'reversal of fortune', AJR argue, is that Australasia and North America, but not the other colonised regions, adopted the kinds of institutions—primarily, private property rights—that already existed or were emerging in western Europe, and

which North argued were eventually responsible for the precocity of that region, and especially Britain, in industrialisation.<sup>2</sup> What accounts for the establishment of European-style property rights in some European continents but not in others? AJR's answer is that Europeans settled where they could live longest; and where they settled in large numbers, they introduced the same kind of institutions that they lived with in Europe, ones which essentially promoted economic growth. Conversely, where they did not settle, the Europeans were content with exploitation rather than development: to use or adapt indigenous institutions to capture unproductive economic 'rents'.

In exploring the origins of divergent growth, an ingenious feature of AJR's research design was their avoidance of circular reasoning through the use of an instrumental variable—pre-quinine European mortality rates—which they were able to correlate quite strongly with private property rights and with output per head some 35 years after most of Africa recovered sovereignty. This made a useful instrumental variable, because they were able to argue convincingly that there was no direct connection between pre-quinine settler mortality and economic growth per capita near the end of the 20th century (Acemoglu *et al.*, 2001, 2006; cf. Alouy, 2006).<sup>3</sup>

In sum, AJR find a causal relationship from low mortality rates among European settlers, to the colonial establishment of private property rights, and thence to high GDP per head today. Conversely, they find a causal relationship from high mortality rates among European settlers to the existence of rent-extracting institutions before and after colonial rule, and thence to relatively low GDP per head even a generation after Independence.

Nunn's first article offered a theoretical elaboration of the process by which a reversal of fortune could have occurred in Africa. His model distinguishes high and low production equilibria, according to the proportions of producers and robbers<sup>4</sup> in the population. He assumes that 'the coloniser' chooses 'the rate of extraction': the fraction of 'production that is expropriated', and also decides the 'amount of resources devoted towards enforcing the security of private property in the society' (Nunn, 2007: 160). In the model, a high rate of extraction pushes the economy from a high to a low production equilibrium. The latter, Nunn argues, is likely to be stable (Nunn, 2007).

Nunn's second article complemented the first by attempting an empirical investigation of the relationship between post-colonial GDP per capita and a history of slave exporting. The exercise is again a comparison of two chronologically distant cross-sections, investigated through cross-country growth regression. He found a significant relationship, and suggested that a specific causal mechanism ran from African states being dissolved as a result of external slave trading, to ethnic 'fragmentation' and (following Easterly and Levine, 1997) poor post-colonial growth.

### 3 'DATA' QUALITY

The econometricians' discussion of AJR has focussed on what to measure rather than on the quality of the data available for measuring it (e.g. Bardhan, 2005; Alouy, 2006). This

<sup>2</sup>For a searching critique of aspects of North (and co-authors') accounts of British exceptionalism, see Epstein, 2000.

<sup>3</sup>This does not exclude the possibility that the settler mortality variable may mask deeper causes. Higher population density, for instance, might make it harder to settle and facilitate the spread of some diseases (Bardhan, 2005: 510–511).

<sup>4</sup>'Productive entrepreneurs' and 'unproductive entrepreneurs' in Nunn's terminology (Nunn, 2007: 60).

section considers the latter, working backwards. For the exercise that AJR carried out, it was surely reasonable to use the GDP (purchasing power parity) per capita estimates for 1995; though these data can be improved upon in future, especially for Africa (Jerven, 2008).

As for the external slave trades of Africa, Nunn uses the best series available. It is important to bear in mind, though, that the quality is very uneven, because the Atlantic trade (1441–1867) was much more fully documented than its Saharan, Red Sea and Indian Ocean African counterparts. The latter were older than the trans-Atlantic, and also outlived it; but were on a smaller scale. The available numbers on these Arab-dominated trades are useful but (as their main compiler makes clear) necessarily 'guesstimates' (see Austen, 1979, 1985, 1988). They do not support the confident simplicity of Nunn's statement of fact that 'About six million were exported in the other three slave trades' (Nunn, 2008: 142); though that (or 5.5 million) is the best guess (Lovejoy, 2000). Even for the Atlantic trade, David Eltis *et al.*'s (2007, 2008) remarkably comprehensive Trans-Atlantic Slave Database leaves the aggregate of Africans shipped in irons from their continent in some doubt; it could have been a few million more than the 12 million cited by Nunn.<sup>5</sup>

Again, Nunn's ingenious attempt to collate the ethnic identities of enslaved Africans with origins within the boundaries of 20th-century African states (Nunn, 2008) is likely to worry historians of ethnicity in Africa. For a generation of scholarship emphasised the relatively recent 'invention' (and the continuing re-invention) of ethnic identities in Africa (from Iliffe, 1979 and Ranger, 1983 onwards). Colonial policies of 'indirect rule' (and 'divide and rule'), both directly and through African elites' responses to it, have been seen as the major source of ethno-genesis. The instability of ethnic labels, coupled with the frequency of migration in African history (Kopytoff, 1987), makes it very difficult to be confident about assigning 18th-century ethnonyms to 20th-century territories. Further, Nunn's assertion that 'ethnicities . . . generally map cleanly into one country' (Nunn, 2008: 150) runs counter to the common observation that colonial boundaries frequently divided existing ethnic groups. On the other hand, *some* current ethnic identities have deep historic roots, even when they were greatly reinforced and reified by colonial and post-colonial experiences (Vansina, 2004; see also Spear, 2003). Also, many of the ethnic identities recorded in the slave trade data are linked to specific geographic markers which can be confidently (or at least reasonably) assigned within the territory of a modern polity.

More than the above, it is the baseline of the 'reversal', the figures for 1500, or 1400 in Nunn's case, that is even more shaky than readers may realise. A historian might be expected to criticise the quality of the evidence, and there are strong health warnings that need to be issued, but the issue is more complex and interesting than 'noise' as such.

Let us start with population density as a proxy for income per head/economic development. Empirically, the relationship between population density and prosperity in agricultural areas can run either way. This generalisation can be illustrated even in the context of a historically lightly-populated region such as Sub-Saharan Africa, with reference to the controversies about productivity and population density in the more densely-populated areas of 20th-century central and eastern Africa. In the cases of the 'native reserves' left to Africans after settler land grabs in colonial Southern Rhodesia

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<sup>5</sup>The editors of the database currently estimate the total embarked for the Americas at 12.5 million; to which perhaps 0.5 million should be added for those, especially in the earlier voyages, destined for the offshore islands and Europe. Other serious estimates, as they acknowledge, have put the grand total as high as 15.4 million (Eltis, 2007; Eltis and Halbert, 2008).

(Zimbabwe) and Kenya, the view of 'Boserupian' optimists (Mosley, 1983; Tiffen and Mortimore, 1994) have been countered by pessimists (Choate, 1984; Murton, 1999).<sup>6</sup> But in the land-abundant settings characteristic of pre-colonial Africa (Austin, 2008), it is surely reasonable to regard relative population density as a proxy for greater prosperity (e.g. Mahadi and Inikori, 1987).

More problematically, if perhaps inevitably at present, AJR's only source for the population figures ca.1500 is McEvedy and Jones, 1978. This apparently applies also to the numbers used by Nunn for ca.1400.<sup>7</sup> If you look up McEvedy and Jones expecting a treatise, detailing the original evidence and the reasoning behind the judgements by which it was converted into usable data, you will be disappointed. The African dimension of its global, deep-time coverage was achieved by briefly presented estimates, padded out with brief (if contentious, and now out-dated) background description. The authors of the *Atlas of World Population History* were writing a short book on a vast subject for a serious paperback publisher, and they did their job well. They might have been surprised to find it used as the basis for a complex empirical analysis, especially a generation later.<sup>8</sup>

But what matters is whether AJR are right about which regions of the future colonial world were more and less heavily populated ca.1500. For Sub-Saharan Africa, we must admit that there are huge gaps in what we know (Henige, 1986). For the pre-colonial era all figures for the population of the region as a whole, or of the territories of its future colonies and post-colonial states, are merely backward projections from colonial enumerations, which generally began in the late 19th or early 20th centuries, and were initially not proper censuses. The results are therefore dependent on the accuracy of the counts, which are generally thought to be considerably under-stated until roughly the mid-20th century. Accuracy also depends on the more or less well informed allowances made for that empirical under-counting, and, crucially, on the assumptions made about growth rates during earlier periods. Projecting back from already very dubious figures for ca.1900 or ca.1920, there is simply no epistemological basis for Nunn's use of the word 'data'—literally, 'things that are given' or granted—to refer to the guesses that have been made about the population of future African countries in 1400 (Nunn, 2008: 158).

If that was not enough, there is a further problem when backward projections from 20th-century figures are taken back to 1500 or 1400. The projection is doubly de-stabilised: on one hand by the intensity of the Atlantic slave trade, especially during the 18th century; and on the other by the advent of a series of crops introduced from the Americas. To take just two key examples: maize delivered higher returns of calories to effort and to area under cultivation, while cassava (manioc)'s toleration of drought and poor soils made it particularly useful as a famine reserve, strengthening food security (e.g. Miller, 1988: 19–21; Cochet, 1998; McCann, 2005). In food supply and demographic terms, the production possibility frontier was shifted outwards after 1500, to an extent that invalidates any attempt at accurate projection of population densities across that time zone.

The sole statistical study for a pre-colonial society that is based on contemporary sources is John Thornton's account of the kingdom of Kongo (centred in what is now northern Angola), ca.1650–1700, which used Catholic baptism records. Thornton estimated the

<sup>6</sup>See, further, André and Platteau (1998) on 1990s Rwanda, densely-populated though without a settler colony past.

<sup>7</sup>Though it is not explicit (Nunn, 2008).

<sup>8</sup>The original status of the book as a source for scholars is reflected in the fact that, 27 years after its publication, the British Library of Political and Economic Science (the LSE library), one of the largest dedicated social science libraries in the world, did not have a copy. Thanks, no doubt, to the influence of AJR, it does now.

population at just over half a million, rising slowly over that period. The implied average density was 4.1 per square kilometre by the beginning of the 18th century (Thornton, 1977).<sup>9</sup> This confirms the assumption that population densities were extremely low in pre-colonial Africa, including by comparison with Europe (Austin, 2008; 590–591). But it does not mean that they were as low as in Australasia or North America at the same time.

For future research we all need a much more systematic study in historical demography, to tell us more precisely what the evidence actually is, and what guesstimates can be derived from it, and to provide a sense of the margins of error.

AJR are cautious about the African evidence on their other proxy for early modern prosperity, the ratio of urban to total population. They recognise the absence of detailed urbanisation data for Sub-Saharan Africa and therefore leave the region out of the parts of their regression analysis that involve such data. At the same time, they affirm that 'it is clear that urbanisation in sub-Saharan Africa before 1500 was at a higher level than in North America or Australia' (Acemoglu *et al.*, 2002b: 1238). It can be confirmed that the archaeological evidence on African towns continues to mount, showing that there were long-standing patterns of urbanism in Zimbabwe, along the East African coast, and in the inland Niger Bend; though the latter had peaked before 1500 (LaViolette and Fleisher, 2005). The principle of using urbanisation as a proxy for prosperity in this earlier period also seems safe in view of the relative abundance of cultivable land, noted above; as distinct from some late 20th-century contexts in which rural-urban migration may have been partly a response to growing pressure on land, rather than to the pull of towns in the context of general economic growth.

So should we accept that, as far as can be established from presently available evidence, Sub-Saharan Africa was more highly populated and more urbanised than Australasia or North America in 1500? Two preliminary observations can be made. First, specialists generally agree that Africa was generally land abundant in most times and places, in the sense that the expansion of output was rarely constrained by the availability and cost of land, until often well into the 20th century (and in sizeable areas, even today) (Hopkins, 1973; Austin, 2008). Second, as already implied, a major source of long-term growth in African populations was the adoption of a new repertoire of crops from the Americas, after 1500. Thus we can only assume that average population densities were very low before 1500. We also know, though, that the process of pushing out the nutritional production possibility frontier through the selective adoption of exotic cultigens is much older than the Atlantic trade. The banana-plantation family were imported from Asia, for example, and particularly permitted relatively high population densities in the Great Lakes region of East Africa (Schoenbrun, 1998).

I have argued elsewhere that we can see a long-term path of economic development in pre-colonial Africa, albeit in the face of what, overall, were particularly unfavourable natural conditions (Austin, 2008). As of 1500, the region appears to have been thinly populated with low urban populations; but it seems that Australasia and North America were more lightly populated and less urban. I think AJR's premise is probably correct. But this assessment is based on circumstantial more than statistical evidence.

#### 4 THE SLAVE TRADES AND PRE-COLONIAL ECONOMIES

The era of European overseas empires lasted more than 500 years; but except on certain fringes, little more than half a century in Africa. In African history, most of the era

<sup>9</sup>The ratio here is based on Thornton's table on p. 526.

considered by AJR and Nunn was actually precolonial. Before going further, it is essential to remove confusion by reasserting a basic distinction between the different eras of African history.

Nunn, without comment, fails to distinguish the pre-colonial and colonial periods. He treats slave traders as if they were colonial rulers, to whom he attributes the capacity to 'choose' the 'rate of extraction' (Nunn, 2007). AJR make the same conflation, for which the following explanation is offered in a footnote:

By 'colonial experience' we do not only mean the direct control of the colonies by European powers, but more generally, European influence on the rest of the world. So, according to this definition, Sub-Saharan Africa was strongly affected by 'colonialism' between the sixteenth and nineteenth centuries because of the Atlantic slave trade. (Acemoglu *et al.*, 2001: 1370n).

Nunn takes care to distinguish the various external slave trades of Sub-Saharan Africa (across the Sahara, the Red Sea and Indian Ocean and the Atlantic), and tries to separate areas from which no slaves were sold from those areas from which they were. If we were to take seriously the idea that buying slaves was to be equated (in terms of power) with ruling the country where they were bought, a question would arise for AJR about Arab and other non-European 'colonialism' in tropical Africa, and its contribution to institutional choice. But all this misses the basic point, reiterated as a major theme of Thornton's detailed examination of the military, political and economic relations surrounding the slave trade from Atlantic Africa: that 'Europeans possessed no means, either economic or military, to compel African leaders to sell slaves' (Thornton, 1998: 125). This was demonstrated by the decisions of the kingdoms of Benin and Kongo, both prominent among early sellers of slaves to the Portuguese, to restrict and even stop their exporting of slaves. Benin withdrew by ca.1550, Kongo apparently by or during the early 17th century (Thornton, 1998: 110–111). In Nunn's terms, these were apparently cases in which, if low levels of production were reached, no stable equilibrium resulted—contrary to his model. The general observation is that the European slave traders, like their North African counterparts who engaged in the trans-Saharan slave trade, were rarely in a position to 'choose the rate of extraction'.

Most slaves shipped by the Europeans were purchased; not all. In their early ventures along the west African coast Europeans were minded to raid, and perhaps conquer. Where Europeans did seize Africans directly, however, this no more meant that Africa was colonised than an occasional slave-raid by Barbary corsairs on a Cornish village meant that England was a colony of the Ottoman empire. Kidnapping foreign subjects is a violation of sovereignty, but not an exercise of colonialism, in the proper sense of alien rule. Raiding proved unfeasible as a sustained operation, because of the strength of African naval opposition in coastal waters, as well as military opposition on land (Thornton, 1998: 36–40). We might also recall the high mortality rates among Europeans emphasised by AJR. In Angola, only, the Portuguese did establish a significant territorial presence; contrasting with the forts, on land rented from local rulers, that was the most the Europeans established elsewhere. But Portuguese military operations in Angola depended on African participation, and often were motivated by political aims (notably, to defend the colony) rather than being slave raids as such (Thornton, 1998: 100–101, 114–116). The profitability of the Atlantic slave trade, like the Saharan, depended on the foreign merchants being able to deal with local rulers and traders. If it was not a trade at the African as well as at the

American end, if it was purely a matter of the economics of crime, it could only have been pursued on a much smaller scale (Fenoaltea, 1999). Angola apart, the slave traders of Europe lacked a colony in Africa. Ironically, as the pioneer economic historian of Nigeria showed, it was the 19th-century British campaign to eliminate the slave trade that raised British interference in African politics to a new level; and, arguably, turned out (retrospectively) to be a step towards the European partition of Africa (Dike, 1956).

Beyond the conflation of precolonial and colonial, Nunn's analysis is further confused by his contention that the Atlantic slave trade caused a dissolution of states into bands, from which he proceeds to postulate that it may have been responsible for the weakness of political centralisation in late pre-colonial Africa (Nunn, 2008: 144). This argument is particularly salient for the wider 'reversal' debate because it might fit with Pranab Bardhan's own exercise in cross-country regression analysis across very long periods, which concludes that international variation in real output per head at the end of the 20th century was most strongly related, not to patterns of colonialism, but to the antiquity of states (Bardhan, 2005).

During the Atlantic slave trade probably (Thornton says 'certainly') more than half the area of west and west-central Africa was 'ruled by ministates whose surface area ranged from 500 to 1000' square kilometres, and probably no more than 30 per cent of the area was under states controlling more than 50 000 square kilometres (Thornton, 1998: 104–105). Within the larger states, moreover, political power tended to be organised around networks, 'narrow-cast' rather than extended systematically to relatively clearly-defined borders, as was the European tendency (Herbst, 2000: 35–57). Whatever the accuracy of Thornton's guesstimates, there is no dispute that the level of political centralisation was low.

But there are two problems with Nunn's interpretation of it. First, 'political fragmentation' is evident throughout what we know of pre-colonial history (Thornton, 1998: 103). It is widely agreed in the literature on Africa, from various disciplines, that low population density made it hard to tie people down, and relatively easy for them to emigrate to avoid taxation or other state demands (Kopytoff, 1987; Herbst, 2000). This situation was possibly perpetuated but definitely not created by the Atlantic and other external slave trades. Indeed, there is no evidence that the average size of states in West and West-central Africa decreased (or increased) during the more than four centuries of the Atlantic slave trade.<sup>10</sup> Some states fell apart or were conquered; but active participation in the slave trade assisted certain small states to become major kingdoms (notable Asante, Dahomey and Oyo). Indeed, there is a much-discussed thesis that the closing of the Atlantic slave market in the 19th century undermined the fiscal basis of West African states (Dike, 1956; Hopkins, 1973: 142–148; Law, 1995).

The second problem is the direction of causality. It makes sense to argue that 'political fragmentation' facilitated the Atlantic slave trade, contributing to its scale and durability. Most of the African rulers involved sought to protect their own subjects from enslavement while capturing, buying and selling or re-selling outsiders (e.g. Thornton, 1998: 99; Diouf, 2003: xiv; Inikori, 2003). Hence military enslavement (wars and large-scale raids), rather than small-scale raids or judicial decisions, was overwhelmingly the main source of supply for the Atlantic and other slave trades (Thornton, 1998: 99; Lovejoy, 2000: 85). Thus rulers behaved as if seeking to make the third-party costs of slaving, from the loss of life and

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<sup>10</sup>Comparison of the maps of western Africa for 1200–1400, 1500, 1600, 1700, 1800 and 1850 in the best available historical atlas of Africa actually suggests that there was a sustained trend towards larger states (Ajayi, Crowder, Dunstan, Richards and Newman, 1985); though this may partly reflect progressively more complete information.

destruction of physical assets to the disruption to peaceful production and trade, literally 'external'. As Joseph Inikori has argued, including with reference to the history of enslavement within Europe, if political concentration had been much higher, the logic of collective action might have reduced the net incentive to free-ride so viciously at neighbours' expense (Inikori, 2003).

Turning from the political facilitating conditions to the economic motives for the Atlantic slave trade, it is necessary to raise an uncomfortable question that has remained unasked in the RF literature. Why was it profitable to move captive labourers from Africa to other parts of the world? Given that the motivation for the Atlantic slave trade was commercial, the basic answer is presumably that the exchange-value product of Africans' labour in Africa was lower than it was in the places to which enslaved Africans were taken (Manning, 1990:33–34; Fenoaltea, 1999).<sup>11</sup> In a sense this is paradoxical, because the economic historiography of Sub-Saharan Africa is almost unanimous that, until well into the 20th century at least, most of the region most of the time was characterised by scarcity of labour in relation to cultivable land as well as to capital. I argue elsewhere that the specific reasons for low labour productivity in Africa are most plausibly understood by considering choice of production techniques in the context of a disaggregated view of the factor endowment, including specific aspects of the natural environment (Austin, 2008).

As already noted, prevalent labour scarcity south of the Sahara is not inconsistent with AJR's contention that the region had a higher average population density, and a relatively larger urban population, than North America and Australasia; and that these attributes, if they can be confirmed empirically, may be taken as evidence of higher real per capita income. On the other hand, the postulate of lower labour productivity for African labour in Africa than in both South America and North America is harder to reconcile with the proposition of a relative reversal of fortune for Africa.

Examining African responses to their prevailing factor endowments over the long term, it is possible to identify certain characteristic choices of technique: land-extensive agriculture, labour-intensive handicraft production (comforted by the low opportunity cost of labour during the agricultural off-season), and a readiness to adopt new cultigens, not only to reduce risk but also to raise productivity, including by extending the effective agricultural year. There was also a characteristic 'choice' of institutions, in that in conditions of land abundance and an absence of economies of scale in production, the recruitment of labour from beyond the family usually required some form of coercion. This has recently been argued elsewhere in the context of the last 500 years (Austin, 2008), but these themes can also be seen earlier, albeit usually less intensively, before that. In particular, the post-1500 adoption of crops from the Americas continued from centuries of adoptions from Asia, while the general tendency to extend the area under population and cultivation, imposing culture on hostile wildernesses, is an ancient and recurring imperative in Sub-Saharan history (Iliffe, 1995). Finally (and contrary to Nunn, 2008: 139), there is no dispute in the specialist Africanist literature today that 'domestic' slavery, while not universal, pre-dated the Atlantic slave trade, and not only in areas involved in the Islamic slave trades. The debate is between those who argue that slavery was widespread in Africa and slave trading routine (Thornton, 1998: 73–97), and those who think that they were as yet common only within a few societies, and thus became widespread only as a joint product of the Atlantic slave trade (Lovejoy, 2000). The original champion of the

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<sup>11</sup>Thornton rejects the lower productivity argument (e.g. Thornton, 1998: 44–53); I think mistakenly (Austin, 2008).

latter view, Walter Rodney, suggested a link between slave labour and a degree of economic specialisation (Rodney, 1966: 442).<sup>12</sup> This remark is well supported by subsequent research, especially on western Africa before, during and after the Atlantic slave trade (e.g. Lovejoy, 2000). In maintaining that Africa was in a 'high' production equilibrium before the Atlantic slave trade, in his sense of everyone being producers rather than robbers, Nunn misses the significance of labour coercion, and property rights in people, in the conditions that prevailed commonly in pre-colonial Africa—a theme which will be elaborated later.

## 5 COLONIAL RULE AND AFRICAN ECONOMIES

Both AJR and Nunn assume that colonial rule in Africa was purely extractive. This premise requires immediate qualification, because it is politically implausible. Governments need to stay in power before they can extract anything. Survival requires at least some compromises, and rulers usually have incentives to allow at least a share of the material rewards to the ruled, especially when the colony is relatively poor, and therefore local resources—for ruling, let alone for export—are limited.<sup>13</sup> This suggests a need to compromise in the pursuit of extraction. But there are further complications. Key themes, obscured or in some cases even contradicted in the RF writings, require re-emphasis.

First, as Jean-François Bayart has emphasised, 'colonization as a generic term subsumes a vast variety of historical situations' (Bayart, 2000: 221; cf. Austin, 2003; Olsson, 2004). A major dimension of this variety was time. The history of European overseas empires stretched over more than 500 years; whereas northern Nigeria, for example, was under colonial rule only from 1903 to 1960. This periodisation is important when considering how colonial rule is typified in the works under review. AJR and Nunn present King Leopold's 'Congo Free State' (a euphemism if ever there was one) as an admittedly extreme case of extractive European rule in Africa (Acemoglu *et al.*, 2001: 1375). But, when thinking about generalisation, it is crucial to note that the plunder and terrorism of Leopold and his associates caused a major scandal in Europe at the time. Their atrocities were denounced in the imperial capitals, leading the Belgian parliament to 'nationalise' the king's private colony in 1908 and inaugurate a more up-to-date form of colonialism. The protests within Europe were not about colonial rule as such; what they reflect is that unrestrained 'primitive accumulation', in Marx's phrase, was by 1900 considered a thing of the early centuries of European expansion.<sup>14</sup> As colonial rule continued in Africa, so the political demands on rulers to be seen to promote development rather than extraction tended to rise: from within the colonies, from lobbies in Europe and from the international

<sup>12</sup>Rodney also noted that European slave trading on the Gold Coast began with the Portuguese acting as intermediaries in an African trade: buying slaves from the kingdom of Benin (in what is now Nigeria) and selling them to Africans at Elmina on the Gold Coast (Rodney, 1969: 13; see further, Thornton, 1998: 96; Lovejoy, 2000: 38).

<sup>13</sup>In the case of the Spanish empire, recent work has shown that the bulk of financial transfers were between colonies rather than to the metropole. This is part of a general challenge to North American interpretations of the Spanish empire as simply extractive (Grafe and Irigoien, 2006). For a later period of Spanish history, Domenech (2008, this issue) also questions the relationship between extraction and the rate of development.

<sup>14</sup>Acemoglu *et al.* (2001: 1375) cite Manning 1982 as estimating that 50 per cent of Dahomey's GDP was extracted by the French. This is puzzling. Manning reports that in 1910 only 40 per cent of government revenue was spent inside the colony, the rest being sent to Dakar, the capital of French West Africa, and to France (Manning, 1982: 167). Manning also estimated that the overall 'surplus accumulated by the state . . . rose' from some 2 per cent of GDP in 1893 to 9 per cent in 1903, 'after which it remained roughly stable for some years' (Manning, 1982: 183).

organisations created after each of the world wars. The adoption of the Forced Labour Convention of 1930 was a major example (Cooper, 1996).

Second, the distinction between ‘settler’ and ‘non-settler’ colonies applied within Africa; a point very much obscured in the RF writings.<sup>15</sup> In African historiography, settler colonies were those in which the majority of the land was appropriated for European use; though we can further distinguish ‘plantation’ or ‘concession’ colonies, in which such lands were operated by foreign companies, from settler colonies proper, where European farming was in the hands of individual settlers. It is useful also to distinguish among the remaining colonies. There were the relatively poor ‘peasant’ colonies, such as French Soudan (Mali) or Tanganyika (mainland Tanzania), hindered by soil quality or distance from being able to grow export crops very profitably. There was a smaller number of more favourably endowed agricultural exporters, notably Ghana (including the Gold Coast Colony and Ashanti), Nigeria, Senegal and Uganda, where output was in the hands not only of smallholders but also of African rural capitalists of various sorts. These distinctions greatly affected, among other things, the extent to which Africans were free to dispose of their own labour. While African farming and small business was facilitated in the latter kind of colony, it was the handful of settler colonies, plus the Katanga province of the Belgian Congo (with its mining concessions), that saw most of the growth of manufacturing output before 1960. These economies had advantages in access to capital and skills and, in the case of South Africa (especially after its independence in 1910) and Southern Rhodesia (from the 1930s, with a relatively autonomous settler-dominated regime), had well-placed interest groups (with votes) who came to favour industrialisation (Austin, 1987: 181–187; Wood and Jordan, 2000).

Third, colonial regimes—often late, and reluctantly—made a fundamental intervention in the property rights systems of, especially, non-settler economies in Africa: the prohibition of slavery and debt bondage. This key innovation is obscured in the RF thesis because it looks backwards from our own era, in which property rights are equated with proprietorship of things. The actual rate of decline of slavery and human pawning ‘on the ground’ very much depended on the growth of effective demand, via the ‘cash crop revolution’ of the early colonial period (e.g. Austin, 2005: 236–249, 512–515).

Fourth, though the RF works overlook it, the mid-19th century saw what A. G. Hopkins has called ‘the West’s first development program’, based precisely on ‘institutional change, and particularly by introducing modern property rights’ (Hopkins, 1980). This was intended to apply world-wide, in the expectation of both promoting ‘civilization’ in poor countries and fitting them to provide markets and raw materials for Britain’s newly industrialised economy. This policy was even, briefly, applied in Africa, in that the annexation of Lagos in 1861—well before the Scramble for Africa—was partly intended to satisfy the demands of British and Sierra Leonean merchants for titles to real estate, to allow the better operation of the credit market (Hopkins, 1980, 1995).

Fifth, much that happened during colonial rule was neither intended nor solely determined—was not ‘chosen’—by the colonial authorities (as Bayly has emphasised for India [Bayly, 2008]). Even in settler colonies, African agency mattered. The regimes in Southern Rhodesia and Kenya initially sought to drive Africans out of the produce market and into the labour market. But African production for the market proved so resilient that administrations came to accept that it was here to stay (Mosley, 1983). In the poorer

<sup>15</sup>For an extended discussion of the ‘settler-peasant’ colony distinction and its implications for income distribution and poverty, see the paper by Bowden *et al.* (2008) in this issue.

peasant colonies, relatively arid and with high transport costs, colonial governments tended to resort to head taxes and forced labour to generate exports.<sup>16</sup> These coercive methods were relatively unsuccessful, and when cash-crop output rose, colonial policy was liable to be frustrated as handicraft producers outbid European merchants for the cotton crop; as tended to happen in Mali (Roberts, 1996). In the better endowed non-settler economies, African farmers and traders frequently took the initiative in deciding what crop was to be grown and on what scale. The farmer-traders concerned were not subsistence producers, but rather were already deeply engaged in the market, and drew on their accumulated profits from the commercial expansion in certain parts of Africa during the decades immediately preceding colonial rule (on this, more later). Under British rule—and made possible by the railway from the coast to Kano, definitely a colonial enterprise—Northern Nigeria became a major exporter, not of cotton (as the government and British firms had expected and hoped), but rather—at the initiative of Hausa merchants—of peanuts (Hogendorn, 1979). In Ghana, the rapid creation of the world's largest cocoa culture was primarily a story of indigenous enterprise (Hill, 1963/1997). In general, indigenous agency was particularly important because of the cash-strapped nature of colonial administrations. In the 1930s, for instance, the ratio of whites employed by the colonial administration to the population they sought to rule was 1: 27 000 in French West Africa, 1: 35 000 in the Belgian Congo and 1: 54 000 in Nigeria. The proportion was slightly higher in the settler economy of Kenya, at 1: 19 000. In ca.1939 the supposedly 43 million (actually probably more) inhabitants of British tropical Africa<sup>17</sup> were presided over by a grand total of 938 white police and army personnel, and 1223 administrators (Kirk-Greene, 1980: 35, 39).

Sixth, let us consider the British 'West Africa Lands Policy' in this context, as it was indeed a case of colonial rulers deciding against the promotion of private property in land in a non-settler setting, as the RF thesis envisages. But the content of the policy, and the reasons for it, were different from those allowed in the thesis as currently formulated. British rule was extended from Lagos to the rest of what became Nigeria between 1892 and 1903. Rather than promoting individual ownership, as in Lagos in 1861, Britain now came to uphold collective ownership in the name of a partly invented 'traditional' land tenure regime, under which land markets were discouraged (Cowen and Shenton, 1991). Cases such as this, of reversal of policy within the same colony, cannot be captured within a before/after cross-country regression, by its nature. They illustrate the value of 'de-compressing' history; considering the interplay of the variables in more detail. The eventual policy reversal emerged as the result of adaptations to the agency of the colonised, potential and actual. There was some official apprehension that a free land market might lead to a dispossessed, rootless class posing security risks. Above all, there was the increasingly evident success of African cash crop production in West Africa, at African initiative and within indigenous land tenure institutions. There was continued controversy about this within the colonial administrations of British West Africa (Phillips, 1989; Austin, 2005: 339–348, 531–533). But by the 1920s the policy of upholding 'traditional' institutions had been declared the winner, because it was literally producing the goods (Hopkins, 1973: 210–214; Phillips, 1989)—and out-competing European plantations in the process (Austin, 1996a). The most spectacular case was the rise of the exports of cocoa beans (an exotic crop) in Ghana: from zero in 1890 to the largest in the world in 1910–1911,

<sup>16</sup>On forced labour, which was particularly but not exclusively characteristic of plantation and poorer peasant colonies, see Cooper, 1996; Fall, 1993; Northrup, 1988.

<sup>17</sup>So not counting Southern Rhodesia and the rest of sub-tropical southern Africa.

followed by a further quintupling to over 20 000 tons in 1923. In the words of Sir Hugh Clifford, Governor-General of Nigeria, in a speech to the Legislative Council in 1920:

Agricultural interests in tropical countries which are mainly or exclusively in the hands of the native peasantry ... are incomparably the cheapest instrument for the production of agricultural produce on a larger scale that has yet been devised; and ... are capable of a rapidity of expansion and a progressive increase of output that beggar every record of the past, and are altogether unparalleled in all the long history of European agricultural enterprise in the tropics. (Quoted in Phillips, 1989: 85).

What does this imply for the RF thesis? Both Nunn and AJR effectively deny African historical agency under colonial rule, in that they see African institutions as imposed or maintained by the choice of the colonial governments. Yet it is possible to read AJR's inverse correlation between European mortality rates and the adoption of 'European' institutions in more than one way. As they present it, in densely populated colonies the Europeans chose not to try to impose the kind of institutions they had at home, preferring rent-seeking instead. But an alternative interpretation, which also fits their statistics, and fits the cases of British West Africa and 19th-century India, is that colonial rulers initially sought to introduce private property rights, but felt obliged to adapt to the economic and political behaviour of their subjects. In the case of India the Mutiny of 1857 was seen as a warning against social engineering. In Ghana and Nigeria, indigenous property rights systems proved supportive of economic growth in the context concerned, leading colonial regimes to conclude that economic as well as political efficiency was best served by supporting rather than abolishing existing property rights systems. In any case, those systems themselves tended to adjust fairly efficiently (in economic terms) where overseas demand made land rights valuable. Such rights acquired a market value in the cocoa belt of early colonial Ghana (Austin, 2007). Whether this was expressed in the sale or just renting of land varied with the power and policy of local chiefs. Colonial officials were nervous about this force of change from within the economy, implemented by African agency. Their policies generally sought to slow, but ultimately accommodated it (Austin, 2005, 2007). Rather than economic institutions being simply determined by the preferences of colonial administrations, and preferences for extraction at that, British West Africa fits an alternative interpretation that can be summarised in two propositions. First, where European settlers were not present to compete for African labour, the expansion of indigenous commodity production was often in the interests of colonial governments. Second, colonial administrations that sought fiscal security, and encouraged their subjects to feel some material interest in the status quo, tended to change their institutional prescriptions in response to the incentives created by indigenous economic and political action. Contrary to Nunn's hypothesis, Governor-General Clifford opted for a higher rather than lower production equilibrium.

In Nunn's model, the only reason for the coloniser to choose a lower rather than higher production equilibrium is if it expected that its control was likely to be short-lived (Nunn, 2007: 166–168). If one combined the model with the historical evidence about colonial perceptions, the prediction would be the opposite of Nunn's. For it is well known that colonial governments were confident of a long-term future, probably into the 21st century, until only a few years before most of them left. This perception was based partly on the agreement among themselves not to go to war over colonial territories (the German

colonies were fought over in World War I, but only because war had broken out in Europe) (Herbst, 2000: 64–73). Conversely, the lesson that British authorities took from the loss of the American colonies was that the duration of effective control from London was likely to be relatively short, because 'British' settlers would insist upon taking control of their own colonies sooner rather than later; hence the willingness to grant the white settler colonies dominion status. It should also be remembered that it was the European power which held out longest as a colonial ruler in Sub-Saharan Africa, Portugal, was also the one with the biggest reputation (Leopold apart) for extraction.

In the non-settler economies of Africa, especially the better-endowed ones, it made sense for colonial governments to opt for a high production equilibrium, in the sense of encouraging African production for the market; provided this did not threaten political stability. Hence economic policies were adopted that roughly capitalised on comparative advantage. In Ghana, the colonial government consistently supported investors' property rights, within the indigenous Akan land law. If you planted a cocoa tree, you could not be deprived of it even if the land it stood on was subsequently judged to belong not to your own chief but to a neighbouring one (Austin, 2005: 270–277, 519–521; further, 325–355, 529–534). Again, the emphasis on extraction in the African colonies in general, and in colonial Ghana in particular (Acemoglu *et al.*, 2001: 1395, where they seem to equate it with the Congo), obscures the absence of direct taxation in southern Ghana and (until well into the colonial period) southern Nigeria. These were the most successful British colonies in tropical Africa, in fiscal and commercial terms. Extraction there was much less evident in the fiscal system than in the colonial administrations' tendency to tolerate concentration of ownership, and cartels, among European firms in the service sectors of non-settler economies (e.g. Austin and Uche, 2007; Olukaju, 2001–2002). But where the formation of a price-fixing cartel provoked widespread African resistance, as it did in Ghana in 1937–1938 when cocoa farmers and traders organised to 'hold up' the crop until the cartel was abandoned, the administrators on the spot were exasperated at what they saw as the irresponsibility of the European firms; and the metropolitan government eventually intervened to persuade both sides to abandon their respective collective actions (Austin, 1988; Alence, 1990–1991).

This leads us to economic performance in colonial Africa. AJR's 'reversal' is about relative, not absolute, economic performance. There are various plausible explanations besides long-term institutional ones for relative performance over a period as short as the colonial era was in most of Africa. But, clearly, the proposition that African economic growth was crippled by colonial extraction is very pertinent to the RF thesis. There are no very serious estimates of aggregate output, because we do not know the size of domestic marketed activity, nor of non-marketed output. We have better information on the income terms of trade. Table 1 presents figures for exports per capita, and therefore of import-purchasing power, from 1830 to 1948. North Africa is included. The period starts during the tailend of the Atlantic slave trade, and includes some 50–70 years before the European conquest in most of the continent. In the table the colonial period in tropical Africa is represented by the years 1900–1948. The last 10–15 years of colonial rule in most of the region is therefore excluded; a time of generally fairly buoyant growth, assisted by generally favourable movements in commodity prices. On the other hand, the table probably overestimates per capita growth because it almost certainly underestimates the population in 1900 and (by backward projection) 1830. Again, the figures understate trade between counties within the same continent. This would be particularly true of pre-colonial Africa, thus giving an upward bias to the apparent growth rates.

Table 1. Exports per capita in current and constant U.S. dollars, 1830–1948: a ‘Third World’ comparison

	1830	1860	1900	1913	1928	1937	1948
AFRICA							
Current	0.2	0.5	1.6	3.2	6.0	3.3	22.5
Deflated	(0.2)	(0.7)	(2.7)	(5.2)	(6.1)	(3.4)	(10.1)
ASIA							
Current	0.2	0.4	0.9	1.8	3.9	1.5	4.5
Deflated	(0.2)	(0.6)	(1.6)	(3.0)	(3.9)	(1.6)	(2.0)
SOUTH AMERICA							
Current	5.1	8.4	10.5	19.6	28.6	11.0	43.8
Deflated	(5.1)	(12.0)	(18.1)	(23.6)	(25.1)	(12.0)	(19.6)

Sources: The nominal data for 1830–1937 are from Bairoch and Etemad, 1985: 27. The rest are from O’Brien, 2004: 64 (who gives the 1913 current-price figure for Asia as 1.98).

Despite the qualifications, it is clear that import-purchasing power in Africa rose strongly in the late pre-colonial and colonial decades. The rise was greater than the recorded Asian average and, though from a much lower base, also than the South American. This underlines the need to disaggregate the economic histories of the continents where Europeans (with exceptions, especially in Asia) ruled but, mostly, did not settle. The overall impression for Africa is confirmed in the case of South Africa and of the larger non-settler colonies such as Nigeria and Ghana. Based on official figures (with the reservation about under-estimating intra-African overland trade, especially at the start) the aggregate foreign trade of the latter two multiplied by over 20 times between 1897 and 1952, still more by 1960. From a much higher recorded base, South Africa’s rose by 4.5 times (Austin, 2008: 612) to 1952. Expansion was again real, though generally slower, in the much less well-endowed economy of Dahomey. Manning estimated the growth rates of import-purchasing power at 1.7 per cent for the 1890s–1910s, 2.8 per cent for the 1910s–1930s and 0.1 per cent for the 1930s–1950s (Manning, 1982: 4).

The study of heights, derived from military recruiting and other sources, provides a further source of quantitative insight into trends in human welfare across the 20th century. Such research, being pioneered by Alexander Moradi, has a long way to go. But the results so far suggest improvements in physical welfare during the colonial period, in Ghana and, more surprisingly considering that it was a settler economy, even in Kenya (Austin *et al.*, 2007; Moradi, 2008). So far, this work-in-progress shows improvements in heights during the colonial period. But, except in Katanga and the settler economies of Southern Rhodesia and South Africa, the growth of manufacturing was negligible until at least the 1950s, the eve of Independence (Brett, 1973: 266–282; Kilby, 1975).

## 6 PATH DEPENDENCE AND POST-COLONIAL PERFORMANCE

According to the RF thesis, institutional changes imposed upon Sub-Saharan Africa between ca. 1500 and ca. 1960 continually acted to reduce its economic growth way below its potential. The implication, in Solow model terms, is that on the recovery of political

independence, there must have been huge potential for catch-up. Alas, over the post-colonial period as a whole, the economic growth rates of the Sub-Saharan countries have been notoriously low (Collier and Gunning, 1999; Ndulu *et al.*, 2008). According to the thesis, this is because of continuity in the rent-seeking and investment-discouraging character of the institutional framework. The following reflections begin by briefly 'de-compressing' the post-colonial growth record, to highlight the basic changes and variations. I will then comment on the significance of the outliers as cases that do or do not 'prove the rule', and go on to consider key aspects of the relationship between political independence, institutions and economic growth.

Africa's post-colonial growth record has not always, or everywhere, been 'tragic'. In aggregate, SSA grew respectably in GDP per capita from the early 1960s to the mid-1970s.<sup>18</sup> In the early to mid-1980s the majority of Sub-Saharan governments introduced Structural Adjustment programmes. Ironically perhaps, in the 10–15 years that followed economic growth in the region was on average lower than before, and in some countries negative. More recently it picked up, as world commodity prices recovered, partly spurred by Chinese demand. There have been marked variations between the records of individual countries. However, the exceptionally fast-growers of the 1960s and 1970s, notably Ivory Coast and to a lesser extent Kenya, have done much less well since then; whereas the one-time disaster cases of Ghana and Uganda shook off the decline of the 1970s and early 1980s to see sustained growth after Structural Adjustment. In the context of the RF thesis, these changes and variations raise questions which are worth thinking about at a sub-regional or country level. Thus, it may be worth asking (for future discussion) which is more attributable to the institutional legacy of colonialism: the rapid growth of Ivory Coast from Independence to the early 1980s, or the slow growth and then decline of the neighbouring (and similarly endowed) Ghanaian economy during the same period? Or does the reversal of their respective post-colonial fortunes during the last 20 or so years mean that, on average, their respective colonial legacies made an ultimately similar contribution to what, on average, was positive but slow growth over the first half-century after Independence?

One outlier has remained ahead throughout the period: Botswana. AJR devoted a paper to this celebrated case, which appeared to pose a challenge to their thesis about the sad fate of former non-settler colonies. Central to their analysis of Botswana is the argument that, in effect, this is an exception that proves the rule: that Bechuanaland (the colonial name for the country) was relatively lightly touched by colonial rule, with the result that its institutional inheritance was exceptionally conducive to economic growth (Acemoglu *et al.*, 2002a). However, a recent disaggregation of the sources of economic growth in Botswana from 1965 to 1995, by Morten Jerven, reveals that diamond mining accounts for the whole of its superior growth compared to that of comparable countries. Even the rest of its mining sector performed no better than that of neighbouring African countries. Thus the contrast between consistently fast-growing Botswana and (until recently) the equally consistently slow-growing Zambia was attributable entirely to the respective trajectories of diamonds and copper on the world market (Jerven, 2008).

Moreover, on the criterion of a relatively light impact from colonial rule, by far the leading case in AJR's African sample is Ethiopia. Having repulsed an Italian invasion in 1896, Ethiopia eventually endured only six years of formal colonial rule, following Mussolini's invasion in 1935. As it turned out, Ethiopia's economic growth since its

<sup>18</sup>Even slightly out-pacing the world average, 1960–1977 (discussed in Jerven, 2008).

resumption of independence has been, if anything, worse than the Sub-Saharan average; though this is partly attributable to the protracted Eritrean and other wars.

AJR and Nunn accept the orthodox view in the rational-choice literature, and its (arguably) not-so-different sociological counterparts (e.g. Chabal and Deloz, 1999), that economic growth in post-colonial Africa has been hindered by rent-seeking and insecurity of private property rights, and (explicitly or implicitly) that these weaknesses have been both facilitated and aggravated by the domination of politics by distributional coalitions. Where they depart from much of the literature on contemporary African political economy, however, is in seeing all this primarily as a legacy of colonial rule or the slave trade. There is no dispute that the rentier state is a feature of post-colonial Africa, and that ethnicity as a principle for resource allocation and conflict owes much to colonial rule, from the highlighting of 'racial' difference in early colonial ideology (most notoriously in Rwanda [e.g. Prunier, 1995]) to the (especially British) practice of 'indirect rule', i.e. government through chiefs (Mamdani, 1996).

But four major qualifications should be made. First, again, we must be careful about compressing history. The point of Structural Adjustment, after all, was to make a radical shift in the mechanism of resource allocation from administration to the market. Some rents continued to be captured.<sup>19</sup> But if Structural Adjustment was seriously (albeit far from fully) implemented—which it clearly was—then resource allocation across much of Sub-Saharan Africa has been considerably less politicised since the mid-1980s than it was during the preceding 40 years, and especially during the immediately preceding ten to 20 years. Second, the very fact that most African countries adopted Structural Adjustment at all implies that any high rent-seeking equilibrium that may have existed by the early 1980s was unstable. This is contrary to the most influential political economy analysis of that time (Bates, 1981; Murphy *et al.*, 1993)<sup>20</sup> and weakens the proposition of institutional path-dependence in post-colonial Africa. Third, the economics literature on ethnicity (starting with Easterly and Levine, 1997) suffers from a tendency simply to equate ethnic difference with ethnic fragmentation. Countries with a very high degree of ethnic differentiation, such as Tanzania, can be politically much more peaceful and stable over half a century than ones which score nearly 1.0 on a scale of ethnic differentiation, such as Rwanda. Again, President Museveni was able to assemble and manage a multi-ethnic coalition under which Uganda achieved a strong economic recovery in the 20 years following his coming to power in 1986, out-performing many less ethnically diverse countries. Thus much depends on the context: on how the relationship between ethnic identity and economic policy is mediated and negotiated. Finally, whether the literature on the political economy of redistribution is framed in terms of ethnicity or in older categories such as 'urban bias' (cf. Bates, 1981), it tends to underestimate the political advantages of economic growth: of having a larger cake to divide (Austin, 1996b). In this context, many of the economic 'mistakes' of the quarter-century before Structural Adjustment, as of the period since, are attributable to a sincere attempt to implement economic theories which did not work out as intended (e.g. Killick, 1978; Fahnbulleh, 2005; Ndulu, 2008).

In principle, the most basic economic significance of political independence is perhaps freedom to choose economic policies (cf. Chang, 2002). I argued above that colonial governments did not always choose Nunn's 'lower' production equilibrium. But, for long-term economic development (in the sense of structural change that would

<sup>19</sup>For a vivid and detailed example see McCaskie (forthcoming).

<sup>20</sup>This unexpected outcome is discretely noted and interestingly discussed in Bates, 1991.

make possible significantly higher income per head), the choice of a high production equilibrium has rarely been enough. Such an equilibrium would be unlikely to exist for the firms and other private actors concerned unless it optimised the allocation of the existing factor endowments, making the most of the economy's current comparative advantage in international trade. Contrary to AJR, this could be close to a description of colonial Ghana, Nigeria, Senegal and Uganda. However, the record of the global diffusion of industrialisation so far shows that almost all the countries which have industrialised had a phase during which their governments' policies sacrificed full enjoyment of their existing comparative advantage, in the hope of shifting their comparative advantage to a new position in which it could offer much higher income per head. Some of these policies succeeded, some failed; others disappointed in the short term, but helped to establish the conditions under which later governments could build on those earlier policies (as with the South Korean transition from import-substitution in the 1950s to export-oriented industrialisation from the 1960s). Almost all of the industrialised economies had—and arguably needed—a phase of infant industry protection on their way to wealth (and, in some cases, to their eventual advocacy of free trade). The value of the freedom of independent governments to promote and protect infant industries was exemplified in the 19th century by the United States and, in a different way, by Meiji Japan (by informal rather than formal trade barriers, the latter being restricted by the unequal treaties imposed by the West). It should be noted that political independence has not always been necessary for infant-industry protection, as was demonstrated by French North Vietnam, the Dutch East Indies (Indonesia) and indeed British India from the 1920s (in the latter case under pressure from the nationalists). Southern Rhodesia from the 1930s onwards was another example, as we have seen, propelled by the political influence of the settlers (in South Africa—independent since 1910—a newly-elected government adopted a policy of import-substitution industrialisation in 1924). Most commonly, even colonial rulers more concerned with perpetuating their rule than with extracting revenue, or who recognised that they might themselves stand to gain economically from cooperating with the colonised to capitalise on and enhance the colonial economy's existing area of comparative advantage (as by investing in transport infrastructure to serve primary exports), had no interest (in either sense) in sacrificing current consumption for a gamble on longer-term industrialisation in the colonies, which might threaten metropolitan jobs (though not necessarily profits).

This brings us to the failure of much of the post-colonial pursuit of industrialisation. That debacle can be exaggerated; there was a significant growth of manufacturing between 1950 (thus starting about a decade before independence in Nigeria, for example) and Structural Adjustment (Sender and Smith, 1986: 67–109). But many of the 'infant' industries showed no sign of maturing into international competitiveness, handicapped as they were by such problems as small domestic markets, inappropriate choice of techniques and foreign exchange constraints. The institutional and policy failings have been highlighted in the literature, and anyway the sustained pursuit of industrial policies in the face of competing policy priorities was vulnerable to macroeconomic and other shocks (Fahnbulleh, 2005). It is also not difficult to argue that in 1960, or even in 1985, the factor endowments of most African countries were simply too unfavourable to manufacturing to make it possible to engineer a successful shift of comparative advantage up the value added curve, through infant industry protection. But Africa's factor ratios have continued to shift, especially with the rapid population growth of ca.1945–ca. 1995, and the rise in school enrolments which was a fundamental achievement of the new independent governments (Sender, 1999).

Formerly labour-scarce economies have been approaching labour-abundance. As a result, in West Africa for example, there is (admittedly scattered) evidence that real wages have trended downwards over recent decades, from before Structural Adjustment (Rimmer, 1984: 103–5; Teal, 2000). Domestic labour market policies are very relevant, but so are the terms of access to product markets. In the face of Asian competition, it may make sense for African governments to seek again to protect manufacturing, through measures which, as a result of these shifts in endowments, may be less distorting of the market than they were in the 1960s. In view of Asian precedents, it would surely make sense for African governments to make such protection contractual, conditional on satisfactory output and export performance from the firms concerned (Mosley, 1995). Independence creates the opportunity for that; if the state is sufficiently resourced and wise at contracting it.

In relation to the RF thesis, two points emerge. One is that by undertaking infant-industry protection, some independent governments demonstrated some capacity to be exactly that, independent, when it came to economic policy. This must be qualified by the recognition that import-substitution policies often involved not contractual protection but, rather, concessions to foreign firms that enabled the latter to capture the kinds of monopoly rents in manufacturing that, during the colonial period, they or their predecessors had enjoyed in the import–export trade (e.g. Boone, 1992). But that was not the whole story, as was shown by Nigeria’s nationalisation of British Petroleum’s local subsidiary in 1979, in the hope of putting pressure on Britain to take a firmer line against the unilaterally-independent white Rhodesian regime. The other point is that the difficulties of industrial expansion during the first generation after Independence also reflected the continuing importance of resource constraints; post-colonial path determination was far from being purely institutional.

It should be added that, as instruments for the successful promotion of industrialisation, African states are constrained by the political fragmentation of much of the continent, which restricts the size of national markets and the international bargaining power of national governments. It is conventional to blame colonial rule for African ‘balkanization’; a position which Nunn modifies by blaming the external slave trades. Actually the European partition of Africa entailed what was obviously a big increase in the average size of African polities, and the elimination of the very small ones. Where European governments assembled very large ‘national’ units, such as Nigeria and what is now the Congo Democratic Republic, they proved difficult to keep together; and the colonial governments concerned have been much criticised for the artificiality of the exercise. Nevertheless, African economies stand to gain from integrating regional markets. In any case, the weakness of contemporary African states, domestically and internationally, is not simply a question of territorial size. It also reflects the perpetuation of the historic tendency of governments in the region not to establish their control right up to their nominal borders. This tendency originated in the pre-colonial setting of thin and potentially mobile populations, but was perpetuated by the collective decision of the colonial powers (at the Congress of Berlin in 1885), and then of the newly-independent countries (at the founding meeting of the Organisation of African Unity, at Addis Ababa in 1960), to respect each others’ frontiers—thus removing the imperative to central governments to establish effective control over their whole territories (Herbst, 2000). The incipient or embryonic colonial states faced the same constraints on exercising authority as did the pre-colonial authorities; hence the collective decision to make the lives of colonial governors easier, by removing rivalry over borders. Thus did environmental constraints receive political perpetuation, exemplifying a kind of path-determination.

## 7 ECONOMIC RENTS AND ECONOMIC GROWTH

The RF authors, to date, treat economic rent and economic growth, by assumption, as opposites. They are not alone. According to the economic historian E. L. Jones, 'Economic history may be thought of as a struggle between a propensity for growth and one for rent-seeking; that is, for someone improving his or her position, or a group bettering its position, at the expense of the general welfare' (Jones, 1988: 1). The purpose of this section is to suggest that further reflection on the historical evidence shows that economic rent and economic growth were often complementary. More than that, they were joint products: the market 'imperfections' that produced the rents was also the means by which growth was achieved.

'Economic rent' may be defined as a surplus above opportunity cost (i.e. above the recipient's highest alternative source of income). It is a surplus above what the recipient would earn in a perfectly competitive market, arising when the supply of the resource concerned is less than fully elastic.<sup>21</sup> It is odd that rent-seeking should be assumed to be necessarily damaging to growth. As another economic historian, D. McCloskey, commented, the search for rents—for 'abnormal' profits—'is the life of capitalism . . . the reason for striving for gains, and the reason for the good that comes of it' (McCloskey, 1996: 135). In economies that are both capitalist and already industrialised, the main source of growth has usually been higher total factor productivity, more than increases in the quantity of factor inputs. In such settings the main contribution of economic rents to economic growth is probably first-mover rents, as an incentive for technological innovation, and as the source of 'super-profits' making possible levels of investment (putting the new technology to work) that might otherwise have been unobtainable within the constraints of the then existing capital markets. Economic rents have been even more important before and during industrialisation, when TFP growth has been relatively less important, or has occurred very much in the context of broader processes of accumulation of income and resources—processes that often included the creation of surpluses from restricted entry to or exit from markets.

The most important episode of this, when considering the RF thesis, is the Atlantic slave trade and New World slavery. The slave plantation systems of the Americas were generally profitable. In the Caribbean, for instance, recent research has provided quantitative detail highlighting the prosperity of the slave-based island economies on the eve of abolition of the trade and then of slave-holding itself (Eltis *et al.*, 2005). The growth of slave-based production in the Americas fuelled the wider expansion of the Atlantic economy, without which the British industrial revolution would be hard to envisage (Inikori, 2002). This bears on what could be seen as a loose end in AJR's analysis. Their story seeks to explain the differing destinies of several continents over 500 years by contrasting rent-seeking in the colonies where Europeans did not themselves settle, with growth-promoting institutions in the colonies of European settlement. The moral is the superiority of free market institutions over rent-seeking ones. But how did extraction from the non-settler colonies relate to the continued—and, over the 500 years, much accelerated—economic growth of the European metropolitan economies themselves? If we accept that growth and rent can be two sides of the same coin, it becomes possible to recognise that slavery and

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<sup>21</sup>The income obtained by the use of slave rather than free labour is an example of such a surplus; though not strictly an 'economic rent' as the surplus is gained at the expense of the supplier (the worker), not the user of the service.

slave trading made a significant (some would argue critical) contribution to the original industrialisation. Indeed, in a paper arguing that profits from Atlantic trade enabled the commercial bourgeoisie of western Europe to demand and obtain institutional changes to protect their property rights, AJR observe that those profits were ‘associated’ with the profits from colonialism and slavery (Acemoglu *et al.*, 2002c: 20). As yet, their papers do not develop further and more explicitly the theoretical implications of this insight in to the relationship between coercion in the colonies and the rise of ‘good’ institutions — and the origins of modern economic growth in Europe.

Within Africa, the extraction of certain kinds of rents was part of economic growth where it occurred in pre-colonial economies. In the land-abundant conditions that characterised most of Sub-Saharan Africa, most of the time, until well into the 20th century, and given also the absence of major economic advantages of scale in production, free labour was relatively expensive. Without slavery and debt bondage, long-term labour markets would have been small or, as I have argued for the kingdom of Asante (Ghana) in the 19th century, non-existent (Austin, 2005: 155–70, 495–498; cf. Hopkins, 1973: 23–27).

A key period of economic growth, by-passed in the RF literature, occurred during the 19th century in much of West Africa between the beginning of the end of the Atlantic slave trade and the colonial occupation (the precise dates varied among the polities and trading networks within the sub-region). This expansion was based partly on the response of producers near the coast to the emergence of new markets in industrialising Europe, for their agricultural produce: beginning with palm oil and peanuts. Its other motor was the further growth of extra-subsistence production, especially of the cotton textile (handicraft) industry, in the enlarged domestic market created by the formation of the Sokoto Caliphate, the largest state in the region at the time, based in what is now northern Nigeria.

This (as it turned out) late pre-colonial phase of economic expansion saw the origins of West African specialisation in agricultural exporting, if only (as yet) on the coast or estuaries. Where this happened it constituted a breakthrough in economic growth. At least, we can see a step up to a higher—and growing—level of import-purchasing power, with important (if structurally limited) effects on the rest of the economies. Manning has done the most careful statistical study, of Dahomey, and finds precisely this. While ‘export revenue in the 18th century fluctuated around a declining trend’, from the 1830s there was generally steady growth into the 1930s (Manning, 1982: 2–3). This is the more striking because Dahomey lacked the kinds of land suitable for the more lucrative cash crops. What should also be noted is that the 19th-century expansion of the exchange economies of West Africa was very much based on the recruitment of slaves and pawns to supplement family labour. According to the French counts, around 1900 about 30 per cent of the population of French West Africa consisted of slaves (Klein, 1998: 252–256).

In late 19th and early 20th-century South Africa, with slavery illegal, other extra-market means were found to cut the supply price of labour. These included land grabs, aimed at forcing black workers into the labour market. Charles Feinstein calculated that during its first half-century—until the 1933 currency devaluation—the gold mining industry could only have been much smaller had it not enjoyed ‘artificially’ cheap black labour (Feinstein, 2005: 109–112). It therefore could not have played the role of leading sector in the economy that it performed during the origins of South African manufacturing. It is clear today that the stagnation of the South African economy during the last 15 years of the apartheid regime owed much to the effects of systematic racial discrimination in hindering both human capital formation and the growth of demand, as well as generally reducing the flexibility of markets (Lipton, 1986; Nattrass, 1991; Feinstein, 2005). But this should not

obscure the contribution of labour repression to the earlier history of South African industrial growth.

Nor was South Africa unusual in this, as Stanley Trapido pointed out in an article published in 1971. Britain, Germany and the United States all achieved industrial 'take-off' without free trade unions or universal suffrage. More recently, Robert Steinfield has documented in detail how wage labour was for a long time not fully free labour, in Britain and the United States. In Britain it was not until 1875 that penal sanctions for breach of contract by workers was largely abolished, while American workers were liable to confiscation of all back pay for the same offence (Steinfeld, 2001, cf. Steinfield, 1991). What was unusual about the South African case, Trapido argued, was simply the racial focus of the class discrimination, and the fact that labour repression had lasted so long (Trapido, 1971). At the time the article appeared, the real wages of black South African miners were lower than they had been 75 years before. Coincidentally but almost prophetically, in view of Trapido's argument, they began to increase rapidly almost as soon as the article was published.

## 8 REFLECTIONS

This paper is itself further evidence of the stimulus to debate that the RF thesis has provided. AJR's theoretical conclusion, of institutions as 'the' fundamental cause of long-run economic growth, is attractive in its logical economy. Re-considering the thesis in relation to the economic historiography of Africa, however, suggests a more complex pattern of causation.

As of 1400–1500 Sub-Saharan economies were developing, in ways closely adapted to their ecological and demographic conditions, usually through land-extensive agricultural strategies, strengthened by the selective importation of cultigens from parallel latitudes. The quantitative evidence for 1500 (or, regarding Nunn's argument, 1400) is too weak to be treated as data in the literal sense. This is especially true of demography, for which backward projection from 20th-century censuses is constrained by shifting parameters. But it seems clear that the level of urbanisation—albeit, in certain economies within a vast and varied region, much of it not at all urban—supports AJR's proposition that the more prosperous parts of Africa were wealthier than their counterparts in Australasia and North America.

On the other hand, I would not claim that African economies were, on average, on a growth path equal to those followed in the lower Yangzi Valley or Western Europe (Pomeranz, 2000). No such path was available under the environmental constraints they then faced (Austin, 2008). The economic premise of the external slave trades was precisely that African labour was more productive, in market terms, in the continents to which slaves were taken than at home. The implication is that these trades, even the Atlantic one, reinforced rather than originated Africa's relatively poor economic position compared to western Europe (and parts of Asia).

A fundamental problem with the existing RF analyses, not least in the case of Nunn's elaboration based on Africa's external slave trades, is the treatment of the last 400 or so years of the pre-colonial era as if it was part of the half-century or so of genuine colonial rule in most of Sub-Saharan Africa. This is the starkest, least accurate and arguably least necessary instance of the compression of history in these works. The independence of African societies, and their repeatedly demonstrated capacity to contribute crucially to

shaping their own economic destinies, has to be recognised in any explanation of change. The assumption that Europeans could simply impose institutions before they assumed territorial control, generally at the end of the 19th century, is wrong.

Even under colonial rule African producers were often able to defy colonial attempts to induce and coerce them into particular kinds of economic activity or choice of product. This applied even within the settler economies of Africa—a category overlooked in the RF thesis—but especially in the colonies in which Africans retained control of virtually all the land. In the latter contexts, contrary to the thesis, it was often in the interests of colonial rulers to facilitate African enterprise, such as by providing security for investments in tree crops (though the incoming rulers often took time to appreciate that they did not need to coerce or substitute for African enterprise). This consideration was decisive in the eventual British endorsement of indigenous land tenure rules in West Africa.

The importance of the colonised population in making their own history, including by shaping colonial policy, is not recognised in the RF thesis as it stands. But a revised version of the model might be able to include the positive power of indigenous agency, rather than simply the small numbers of Europeans present, as a determinant of institutional choice in African—and Asian and Latin American—colonies and former colonies.

The case of land tenure in West Africa turned out to be an illustration of the observation, which AJR appear to accept (Acemoglu *et al.*, 2005; 395), that no one set of institutions is optimal for economic growth in all contexts. A further set of examples concern the contribution of coercion, in various forms, to the mobilisation of labour. The global history of industrialisation has been associated repeatedly with forms of labour repression. Again, in the land-abundant conditions of 19th and early 20th-century Africa, the direct or indirect coercion of labour was crucial to both the growth of cash-crop production in West Africa (which started before colonial rule) and to the mining revolution in white-ruled South Africa. This relates to another key historical observation, that economic rents and economic growth have often been—necessarily—products of the same processes.

The frequent complementarity of economic growth and economic rent should perhaps prompt us to greater self-consciousness about the historical specificity of our own time and thinking; and even of its ‘imperial’ antecedents. AJR’s definition of ‘good economic institutions’ not ‘as those that generate economic growth’<sup>22</sup> but as—in effect—the kinds of institutions that they personally like (Acemoglu *et al.*, 2005; 395) recalls the Victorian enthusiasm for largely the same institutions (private property rights and limited government, though AJR add ‘relatively equal access to economic resources to a broad cross-section of society’ [*ibid.*]). While AJR do not espouse the self-confidence of the 19th-century exponents of British property-rights imperialism (Hopkins, 1980, 1995), many others in our own period do. It is salutary to recall that, only a few generations ago (at most), property rights existed in people as well as things. In analysing long sweeps of economic history, we should not be surprised to find exploitation and growth going hand in hand (cf. Sender, 1999).

I share AJR’s rejection of what they call the ‘simple geography’ thesis, of unchanging environmental obstacles to economic development. Rather, the African story suggests a more dynamic, partly endogenous, version of what they call the ‘sophisticated geography’ approach (Acemoglu *et al.*, 2002b: 1260–1261): Africans’ own responses to their environments, making use of various technologies when available, ultimately changed

<sup>22</sup>They note that the latter definition is open to the objection that the relationship between a particular set of institutions and economic growth is period-specific (Acemoglu *et al.*, 2005; 395).

their factor ratios (Austin, 2008). One result has been the shift from labour-scarcity towards labour-abundance, especially during the later 20th century. This in turn suggests a possible future in labour-intensive industrialisation (Austin, forthcoming), as pioneered in Mauritius (Teal, 1999). This would probably require infant industry protection, of the conditional ('contractual') kind previously demonstrated in Asia.

That this is hard to achieve politically reflects the historic weakness of the state in most of Africa. This phenomenon arose from the resource constraints on political centralisation in pre-colonial history—predating the Atlantic slave trade, contrary to Nunn—but was reproduced by the international relations of the late modern era, when European empires recognised each others' nominal frontiers at the time of the partition of Africa, and newly-independent African states did the same in their turn. Such time-specific interaction between resources and political economy in the determination of institutions provides a further dimension to the argument, associated with Kenneth Sokoloff and Stanley Engerman for the Americas, that institutions are very important for economic growth, but are themselves partly responses to specific environmental conditions (Sokoloff and Engerman, 2000). That general position seems to apply to African history.

Methodologically, the RF writings have demonstrated the value of a very long-term perspective on the origins of the current world distribution of income. I have suggested that their overall approach may be capable of modification to take account of the roles of the colonised in making their own history. The notion of a 'reversal' itself requires qualification. Methodologically, the authors' emphasis on the primacy of a single cause is stimulating but insufficient. The same applies to the division of colonies into just two camps, settler and non-settler. Further complications are likely to arise when specialists on other regions reflect in detail on the thesis. Finally, the argument of this paper underlines the importance, in future research, of combining the cross-country, comparative statics, econometric approach with contextually-specific micro studies, as well as other forms of global historical comparison (Pomeranz, 2000; Goldstein and Udry, 2005; Pande and Udry, 2005; Greif, 2006; Bayly, 2008).

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