



## African Economic History Newsletter

### Issue #50, May 2021

The AEHN newsletter brings you up to date with current and forthcoming events in African Economic History. It gives you a chance to publicise your new research and opportunities to the right audience.

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If you want to publicize your own research, events or organize a panel for an upcoming conference, please send a message to [aehtnetwork@gmail.com](mailto:aehtnetwork@gmail.com) and I will include your news in our quarterly round up.

Best regards,

**Johan Fourie**

on behalf of the African Economic History Network

# News and Announcements

## Regional meeting of the African Economic History Network!

Because of global travel restrictions, the planned Bloemfontein has been postponed to an undecided later date. Lund University will organise a regional meeting for scholars that can travel from 21-22 October 2021 in Sweden. More information will be provided soon on the African Economic History Network website.

## Fire at University of Cape Town library

The library of the University of Cape Town (UCT) was ravaged by a fire on Sunday 18 April. The heartbreaking result is that invaluable resources, that have been indispensable to researchers all over the world, have been destroyed.

This is a call to researchers everywhere to archive and digitise any materials that have been copied, photographed or recorded at the UCT Library. These materials can be upload [here](#). This will be of tremendous help to our colleagues at UCT; by this way we can perhaps retrieve some of the knowledge that was lost.

## Working Papers Series

If you have a paper you would like to submit for our consideration please send us an email. For questions regarding the WPS please contact Erik Green at [Erik.Green@ekh.lu.se](mailto:Erik.Green@ekh.lu.se).

## Frontiers in Economic History Blog

Frontiers in African Economic History – AEHN’s blog – diffuses research-based content and promotes discussion concerning the study of long-term African development. The blog provides authors a platform to disseminate easily accessible summaries (700 words) of their recently published research (articles, book chapters, book reviews, theses), publishes interviews with key scholars in the field, and discusses relevant developments. We welcome blog contributions and suggestions. Please contact the editors ([Felix Meier zu Selhausen](mailto:Felix.Meier.zu.Selhausen@aehn.org), [Michiel de Haas](mailto:Michiel.de.Haas@aehn.org) and [Kate Frederick](mailto:Kate.Frederick@aehn.org)) to discuss possible posts at: [frontiers.aehn@gmail.com](mailto:frontiers.aehn@gmail.com).

**Dozie Okoye.** [Things Fall Apart? Missions, Institutions, and Interpersonal Trust.](#) (5 May 2021.)

I examine the long-run impacts of historical missionary activities on social capital in Africa and find that historical missionary activities are associated with lower levels of interpersonal trust today. I argue that this is driven by the breakdown in traditional cultural norms and institutional constraints.

**Joan Ricart-Huguet.** [The Origins of Colonial Investments in Former British and French Africa.](#) (19 April 2021.)

What led colonial states to invest much more in some districts than others? This study shows that natural harbors and capes led some places to become centers of pre-colonial trade. These areas, in turn, attracted the lion’s share of colonial public investments not only in infrastructure but also in health and education. Public investments were considerably lower in places further away from the centers of pre-colonial trade.

**Jörg Baten and Laura Maravall.** [The Influence of Colonialism on Africa’s Welfare: An Anthropometric Study.](#) (30 March 2021.)

We study height data for 47 African countries over the past two centuries and find that heights declined substantially upon colonization, by at least 1.1 cm. Possible reasons for this include forced labour, conflicts and trade integration (that came with more infectious disease) during colonialism.

**Jutta Bolt and Leigh Gardner.** [How Africans Shaped British Colonial Institutions: Evidence from Local Taxation.](#) (15 March 2021.)

Who really governed colonial Africa? This paper uses new data on local tax collections to examine how Africans influenced British colonial institutions.

**Gabriele Cappelli and Jörg Baten.** [Numeracy Development in Africa: New Evidence from a Long-Term Perspective \(1730-1970\).](#) (12 February 2021.)

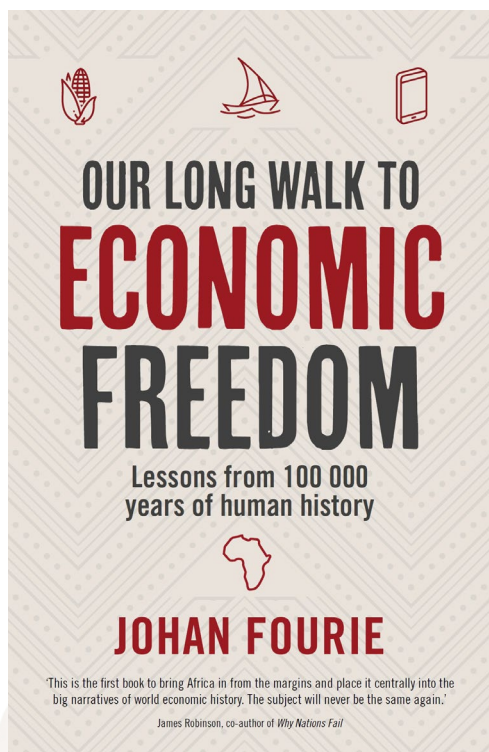
We discuss how numeracy, based on the study of age-heaping, can expand our knowledge of human capital accumulation and economic development in Africa in a long-term perspective.

### Get in touch!

If you want to publicize your own research, events or organize a panel for an upcoming conference, please send a message to [aehnnetwork@gmail.com](mailto:aehnnetwork@gmail.com) and I will include your news in our quarterly round up. The next issue will appear in August 2021.

# NEW RESEARCH IN AFRICAN ECONOMIC HISTORY

Now in print

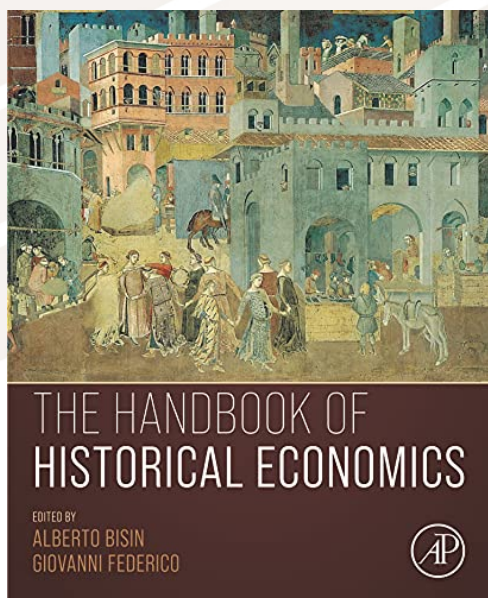


**Johan Fourie. *Our Long Walk to Economic Freedom*. Tafelberg.**

What does a butterfly collector do in the Congo? Why can an Indonesian volcano explain the Great Trek? What do King Zwelithini and Charlemagne have in common? These are some of the questions Johan Fourie explores in this entertaining, accessible economic history spanning everything from the human migration out of Africa 100 000 years ago to the Covid-19 pandemic. *Our Long Walk to Economic Freedom* is an engaging guide to complex debates about the roots and reasons for prosperity, the march of opportunity versus the crushing boot of exploitation, and why the builders of societies – rather than the burglars – ultimately win out.

*Johan Fourie's commitment to understanding the historical roots of prosperity and ensuring its wide distribution in the future makes this one of the most humane economic histories I have read.* – Anne McCants, MIT

*This is the first book to bring Africa in from the margins and place it centrally into the big narratives of world economic history.* – James Robinson, Chicago



**The Handbook of Historical Economics. Edited by Alberto Bisin and Giovanni Federico. Academic Press.**

New sources and applications of data in every economic field are enabling economists to ask and answer new fundamental questions. They are framing these questions differently and agreeing upon new methods for handling data. The Handbook of Historical Economics guides students and researchers through these trends in examining historical determinants of current phenomena and deriving more statistical inferences from bigger data sets. Unlike more narrowly-directed textbooks and handbooks of cliometrics, *The Handbook of Historical Economics* is the only volume on quantitative economic history that uses fully up-to-date econometric methods. Its coverage of statistics applied to the social sciences makes it invaluable to a broad readership.

**Sédi-Anne Boukaka, Giulia Mancini & Giovanni Vecchi. *Poverty and inequality in Francophone Africa, 1960s–2010s*. Economic History of Developing Regions.**

The paper provides first generation estimates of poverty and inequality rates for three countries in Francophone Africa – Cameroon, Côte d'Ivoire, and Gabon – in the aftermath of independence.

Sources – a large collection of historical household budgets – are new, as is the method that allows to connect historical sources to modern household budget surveys, and to deliver nationally representative estimates. The second part of the paper identifies the trend of poverty and inequality in Côte d'Ivoire for the years 1965 to 2015: mean income growth failed to reduce poverty during the 15 years of economic boom post-independence (1965–1979) because of increasing inequality. Conversely, in the following period (1979–2015) poverty changes are mostly guided by the evolution of growth.

Boukaka, S.A., Mancini, G. and Vecchi, G., 2021. Poverty and inequality in Francophone Africa, 1960s–2010s. *Economic History of Developing Regions*, 36(1), pp.1-29.

### **Vladimir Chlouba & Jianzi He. Colonial legacy, private property, and rural development: Evidence from Namibian countryside. *Economic History of Developing Regions*.**

Does the legacy of direct colonial rule, through its impact on property rights security, affect rural development in Africa? Although mainstream economic theory links secure property rights to development, extant micro-level evidence from the continent remains mixed. We take advantage of a natural experiment in Namibia, exploiting as-if random application of direct colonial rule that later affected property rights security. Using detailed census data and matching on underlying climatic conditions, we find evidence of more commercialized agricultural cultivation in directly ruled areas. We relate this finding to differing tenure regimes. In formerly indirectly ruled areas where land is still allocated by traditional elites, own-account agricultural activity for the market and living standards lag behind formerly directly ruled regions. Our work has direct implications for students of colonial legacies and land tenure regimes.

Chlouba, V. and He, J., 2021. Colonial legacy, private property, and rural development: Evidence from Namibian countryside. *Economic History of Developing Regions*, 36(1), pp.30-56.

### **Joseph Keneck Massil & Sophie Harnay. Parliamentary experience and contemporary democracy in Africa: A Northian view. *Economic History of Developing Regions*.**

In a series of pioneering works, Douglass North argues that the institutional innovations taking place in seventeenth-century England as a consequence of a modification of the balance of power between the Parliament and the Crown provided the conditions not only for economic growth, but also for the development of democratic institutions later on. Our article extends his analysis to the study of parliaments in African countries before and after independence. We find that countries in which parliaments were established prior to independence are more likely to have efficient democratic institutions today. We define a variable of interest, 'parliamentary experience at independence', and estimate its effect on a democracy index. Several sensitivity and robustness tests confirm our results that parliamentary experience at the time of independence is a determinant of democracy in African countries today. This corroborates North's idea that history and institutions do matter.

Keneck Massil, J. and Harnay, S., 2020. Parliamentary experience and contemporary democracy in Africa: A Northian view. *Economic History of Developing Regions*, pp.1-34.

### **Joan Ricart-Huguet. The Origins of Colonial Investments in Former British and French Africa. *British Journal of Political Science*.**

Colonial investments impacted long-run political and economic development, but there is little systematic evidence of their origins and spatial distribution. Combining novel data sources, this article shows that colonial investments were very unequally distributed within sixteen British and

French African colonies. What led colonial states to invest much more in some districts than others? The author argues that natural harbors and capes led some places to become centers of pre-colonial coastal trade, which in turn increased later colonial investments not only in infrastructure but also in health and education. Furthermore, distance from pre-colonial trading posts helps explain the diffusion of investments within each colony. The author finds limited support for alternative explanations such as natural resources and pre-colonial ethnic characteristics, including pre-colonial political centralization. These two findings suggest an economic origin for the regional and ethnic disparities observed in the colonial and contemporary periods.

Ricart-Huguet, J., 2021. The origins of colonial investments in former British and French Africa. *British Journal of Political Science*.

## Stop the presses!

**Denis Cogneau, Yannick Dupraz and Sandrine Mesplé-Soms.** [Fiscal Capacity and Dualism in Colonial States: The French Empire 1830–1962.](#) *Journal of Economic History*.

What was the capacity of European colonial states? How fiscally extractive were they? What was their capacity to provide public goods and services? And did this change in the “developmentalist” era of colonialism? To answer these questions, we use archival sources to build a new dataset on colonial states of the second French colonial empire (1830–1962). French colonial states extracted a substantial amount of revenue, but they were under-administered because public expenditure entailed high wage costs. These costs remained a strong constraint in the “developmentalist” era of colonialism, despite a dramatic increase in fiscal capacity and large overseas subsidies.

## Working Papers

**Erik Green and Mark Nyandoro.** [Labour, Capital and Property Rights in a Land Abundant Peasant Economy: Explaining the Relative Success of Native Purchase Farmers in Southern Rhodesia, c. 1930-1960.](#) *African Economic History Network Working Paper No. 62.*

The lack of secure property rights has been identified by a number of economists – past and present – as an obstacle for long-term growth of output of African farming. The foundation for such a claim is that insecure property rights hinder long-term capital investments. Although the observed infrequency of private property rights in African history is correct there are exceptions. This paper examines one of these exceptions, namely the so-called African Native Purchase farmers in colonial Zimbabwe (Southern Rhodesia from here). The Native Purchase (NP) farmers consisted of a group of Africans that were allowed and able to buy land in specially designated areas. In this paper we analyse the performance of the Native Purchase farmers from their establishment in the 1930s up to 1960, both in terms of output and yields. At first glance, it seems like our case verifies the economic view taken by the proponents of secure property rights. We show that the average NP performed far better than the average African farmer in the Reserve (known as communal land/area after Zimbabwe’s independence in 1980). Differently from what one would expect from conventional economic theory the chief differences between the NP and Africans in the reserves was not only capital, but also labour intensity. NP farmers applied more labour-intensive methods than the average farmer in the so-called Native Reserves. Grounded in the factor endowments literature and the concept of interlinked contracts we argue that the relative success of the NP farmers in Southern Rhodesia was largely an outcome of their capacity to use their control over land to access additional labour through share-cropping and tenancy contracts.

**Ewout Frankema. [Why Africa is not that Poor](#). African Economic History Network Working Paper No. 61.**

The life course of economic history as an autonomous academic sub-discipline is marked by two key transitions: the Cliometric revolution of the 1960s and a second, more recent, revolution in which persistence studies have caught most of the attention (Cioni et al. 2021). This second revolution put the spotlight on Africa. In this essay I explore why Africa has become such a popular place for adherents of persistence studies, and how this new branch has influenced our understanding of long-term African development. I survey and classify the main historical explanations for Africa's poverty and develop three interrelated arguments. First, that the portrayal of Africa as an exceptionally poor region offers an attractive explanandum for empirical tests of historical persistence. Second, that a pre-occupation with proving persistence has led to a surplus of explanations of structural poverty and an underexposure of both the realities as well as possibilities of change: Africa is neither as poor nor as static as the collective body of persistence studies suggests. Third, that the success of persistence studies in unearthing correlations between historical and contemporary variables impels scholars working with the notion of path dependence to reflect more systematically on the relationship between forces of persistence and forces of mutability.

**Tom Westland. [The Fruits of the Boom: Real Wages and Housing Costs in Dakar, Senegal \(1914-1960\)](#). African Economic History Network Working Paper No. 60.**

The incomes of unskilled workers in Dakar under colonial rule was comparable to those of their counterparts elsewhere in West Africa. Real urban wages grew during the Great Depression and the 'developmental decade' following World War II, though accounting properly for housing costs results in substantial downward revision to both the level and growth of real wages. This paper argues that a similar revision is likely necessary for real wage estimates in other colonies in Africa. The magnitude of this correction suggest that much of the fruits of the economic boom of the first half of the twentieth century was 'soaked up' by urban landlords, pointing to an important driver of inequality in urban colonial Africa.

**Barry Eichengreen. [Gold and South Africa's Great Depression](#). CEPR Discussion Papers.**

South Africa was one of the fastest growing economies of the 1930s. This paper seeks to identify the roots of this macroeconomic outperformance and reconcile it with the country's delayed departure from the gold standard, such departure having typically been the event inaugurating recovery from the slump. It emphasizes South Africa's dependence on gold production, which gave the economy an additional boost from currency depreciation, over and above that felt in other countries, when depreciation finally took place. This highlights the paradox of South African policy makers' resistance to currency depreciation, as epitomized by the report of the Select Committee on the Gold Standard in 1932.

**Paul Castaneda Dower, Gunes Gokmen, Michel Le Breton and Shlomo Weber. [Did the Cold War Produce Development Clusters in Africa?](#) CEPR Discussion Papers.**

This paper examines the lasting impact of the alignment of African countries during the Cold War on modern economic development. We show that the division of the continent into two blocs (East/West) led to two clusters of development outcomes that reflect the Cold War's ideological divide. To determine alignment, we introduce a non-cooperative game of social interactions between African countries, where every country chooses one of two existing blocs based on its predetermined bilateral similarities with other members of the bloc. We show the existence of a strong Nash equilibrium in our game and apply the celebrated MaxCut method to identify such a partition. We validate the alignment by confirming that it predicts UN General Assembly voting patterns during the Cold War. Our approach, linking global political interdependence to distinct development paths in

Africa, extracts from history a micro-founded, exogenous treatment, while allowing for an endogenous, process-oriented view of historical events.

**Raouf Boucekkine, Mohammed Laksaci and Mohamed Touati-Tliba. [Long-run stability of money demand and monetary policy: the case of Algeria](#). HAL Working Paper.**

We estimate the demand for money for monetary aggregates M1 and M2, and cash in Algeria over the period 1979-2019, and study its long-run stability. We show that the transaction motive is significant for all three aggregates, especially for the demand for cash, reflecting the weight of informal economy "practices". The elasticity of the scale variable is very close to unity for M2 and M1, and even equal to unity for cash demand (1.006). The elasticity of inflation is also significant for all three aggregates, although its level is higher in the case of cash demand (-6.474). Despite the persistence of certain financial repression mechanisms, interest rate elasticity is significant for all three aggregates, but higher for M1 and cash. The same observation is made for elasticity of the exchange rate, reflecting the effect of monetary substitution, especially for M1 and cash. Finally, our study concludes that the demand for money in terms of M1 remains stable, the same observation being confirmed for the M2 aggregate. However, the demand for fiat currency proves not to be stable. The consequences for the optimal design of monetary policy in Algeria are clearly stated.

**Lucia Corno, Eliana La Ferrara and Alessandra Voena. [Female Genital Cutting and the Slave Trade](#). Dipartimento di Economia e Finanza Working Paper.**

We investigate the historical origins of female genital cutting (FGC), a harmful practice widespread across Africa. We test the hypothesis, substantiated by historical sources, that FGC was connected to the Red Sea slave trade route, where women were sold as concubines in the Middle East and infibulation was used to ensure chastity. We hypothesize that differential exposure of ethnic groups to the Red Sea route determined differential adoption of the practice. Combining individual level data from 28 African countries with novel historical data on slaves, shipments by country, ethnic group and trade routes from 1400 to 1900. We find that women belonging to ethnic groups whose ancestors were exposed to the Red Sea route are more likely to be infibulated or circumcised today and are more in favor of continuing the practice. The estimated effects are very similar when slave exports are instrumented by distance to the North-Eastern African coast. Finally, the effect is smaller for ethnic groups that historically freely permitted premarital sex - a proxy for low demand for chastity.

**Samuel Mutarindwa, Dorothea Schäfer and Andreas Stephan. [Differences in African Banking Systems: Causes and Consequences](#). GLO Discussion Paper Series.**

This paper links banking system development to the colonial and legal history of African countries. Based on a sample of 40 African countries from 2000 to 2018, our empirical findings show a significant dependence of current financial institutions on the inherited legal origin and the colonization type. Findings also reveal that current financial legal institutions are not major determinants of banking system development, and that institutional development and governance quality are more important. A high share of government spending relative to GDP also positively affects banking system development in African countries.

**Remi Jedwab, Felix Meier zu Selhausen and Alexander Moradi. [The Economics of Missionary Expansion: Evidence from Africa and Implications for Development](#). Bozen Economics & Management Paper Series.**

How did Christianity expand in Africa to become the continent's dominant religion? Using annual panel census data on Christian missions from 1751 to 1932 in Ghana, and pre-1924 data on missions for 43 sub-Saharan African countries, we estimate causal effects of malaria, railroads and cash crops on mission location. We find that missions were established in healthier, more accessible, and richer places before expanding to economically less developed places. We argue that the endogeneity of missionary expansion may have been underestimated, thus questioning the link



between missions and economic development for Africa. We find the endogeneity problem exacerbated when mission data is sourced from Christian missionary atlases that disproportionately report a selection of prominent missions that were also established early.

## The next generation

### Farai Nyika.

Farai Nyika successfully defended his PhD in Economics, titled: 'Early effects and legacies of Cape Colony legislation on black disenfranchisement, education and migration', Stellenbosch University, on 18 February 2021.

**'The next generation' is a new section in the Newsletter. Please send us details of your successfully defended PhD related to the field of African economic history.**

## Seminars and talks

### *Economic History of Developing Regions Virtual Seminar Series*

Wednesday, May 19, 2021 (3PM UK Time):

Speaker: **Omar Cheta (Bard College)**, Organizer: Mohamed Saleh

Wednesday, June 2, 2021 (3PM UK Time):

Speaker: **Pim de Zwart (Wageningen University)**, Organizer: Jessica Vechbanyongratana

Wednesday, June 16, 2021 (3PM UK Time):

Speaker: **Yasin Arslantas (Anadolu University)**, Organizer: Coskun Tuncer

Wednesday, June 30, 2021 (3PM UK Time):

Speaker: **Thanyaporn Chankrajang (Chulalongkorn University)**, Organizer: Jessica Vechbanyongratana

Full programme with links: <http://www.ehssa.org.za/index.php/workshops-and-conferences/>

### **LEAP Economic History Seminar Series: Stellenbosch University**

#### **Conclusion of the series on 'Global economic history beyond Africa'**

Wednesday, 19 May:

Speaker: Felipe Valencia Caicedo, UBC

Wednesday, 26 May:

Martha Bailey, UCLA

Wednesday, 2 June:

Vincent Geloso, King's College