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The Impact of Colonialism on African Economic Development

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The imposition of colonialism on Africa altered its history forever. African modes of thought, patterns of cultural development, and ways of life were forever impacted by the change in political structure brought about by colonialism. The African economy was significantly changed by the Atlantic slave trade through the process of imperialism and the economic policies that accompanied colonization. Prior to the "Scramble for Africa," or the official partition of Africa by the major European nations, African economies were advancing in every area, particularly in the area of trade. The aim of colonialism is to exploit the physical, human, and economic resources of an area to benefit the colonizing nation. European powers pursued this goal by encouraging the development of a commodity based trading system, a cash crop agriculture system, and by building a trade network linking the total economic output of a region to the demands of the colonizing state. The development of colonialism and the partition of Africa by the European colonial powers arrested the natural development of the African economic system.

Africa prior to colonialism was not economically isolated from the rest of the world. Indeed, African states had engaged in international trade from the time of the pharaohs of ancient Egypt, and west Africa specifically had developed extensive international trading systems during the eras of Ghana, Mali, and Songhai. These huge empires relied heavily on the taxing of foreign trade to finance government expenditures. The wealth of these nations was dependent largely on the trade in gold, but also on the levying of customs, taxes, booty from foreign expeditions, and fees associated with administrative offices.[1] However, even more significant to the era of colonialism is the era of the Atlantic slave trade.

The Atlantic slave trade existed in Africa for over three hundred years and introduced to the continent sophisticated systems of credit and exchange. Although these markets existed prior to the trade, the great increase in trading brought about by European demand for slaves stimulated their further development. "Credit, debt in currency, and interest all developed apace with the trade."[2] One result of the increase in international trade was that indigenous African economy was subordinated to the interests of Europe. The slave trading system did this by substituting European manufactured products for those products which normally would have been made locally. Thus we see early developing a pattern of Africa as a source of raw materials, in this case labor, and as only a consumer of goods. The result of such uneven trade is evident.

> Even innocuous imports such as textiles, competed damagingly with local products, with the result that the technological gap between Africa and Europe, confined in the 15th century to shipping and firearms, widened to such an extent that African technology failed to progress.[3]

This pattern of unbalanced trade continued into the period of colonialism and remains today. In spite of this, local states still controlled the supply side of the slave trading system. Although some slave raiding was done by European merchants, they still depended on the cooperation of local rulers to insure a steady supply of slaves for the market. In fact, it has argued that the slave trade itself was an essential part if the development of some African states. "The compulsions of the times were such that neither Europeans nor Africans had any alternatives but to engage in the trade."[4] In any event, the development of the Atlantic slave trade forever altered the relationship between Africa and Europe.

The demise of the slave trade began in 1807 when the British government made it illegal for British subjects to engage in the slave trade. The era of "legitimate trade" began and Africa became a source of raw materials for the rapidly industrializing European powers. Legitimate trade in West Africa particularly was characterized by the extensive development of cash crops that could be exchanged or sold for imported European goods.[5] Because of the increase in demand for agricultural products such as palm oil and ground nuts, the transition was made without any severe economic consequences.[6] These goods literally greased the wheels of the industrial revolution and were used in Europe to increase the efficiency of machine production as well as in the manufacture of consumer goods. Politically, the abolition of the slave trade had more long range consequences. While slaves had been exported from Africa to the plantations of the New World, the agricultural products demanded by the industrial revolution were shipped directly to Europe. It became necessary therefore for Europeans to more actively secure the supply of these goods. "The British, in their zeal to extirpate the slavers and to protect their own legitimate commerce, were driven to intervene in local politics on a scale which no European power had ever done before."[7] The suppression of the slave trade and the resulting shift to the export of natural products integrated Africa more deeply into the capitalist world economy than ever before.

The nineteenth century and the end of slaving saw the commercial integration of the entire continent of Africa: north, west, south, and central.[8] Africa also became more centralized politically, and the nineteenth century saw the rise of large African states that exerted considerable influence on the trade of these commercial goods. Typical of these states were Buganda, Ethiopia, Madagascar, and Asante.[9] Although some of these states disintegrated before the "Scramble for Africa" began in earnest in 1880, they were as involved in the production and trading of these commodities as the Europeans were. An important example of the interest of African states in the development of commerce and trade is in the constitutional experimentation undertaken by the Fante Confederation. This group was formed in Ghana in 1868 to not only improve internal relations, erect a modern infrastructure facilitating trade, and establish schools, but also held as one of its major objectives, "to promote agricultural and industrial pursuits, and to endeavor to introduce such new plants as may hereafter become sources of profitable commerce to the country." The Fante Confederation was concerned about the export market but also sought to, "develop and facilitate the working of the mineral and other resources of the country."[10] Thus we see a demonstrated effort by African states to control the international commerce of their territories and also to promote their internal development. Since they controlled the resources, they were able to demand high prices for the goods. Interestingly enough, the type of raw materials that were exported from Africa during this period were not those deemed essential to the industrialization of Europe.

> Import needs and raw materials prices in the late nineteenth century do not support the assertion that the industrial core economies were increasingly dependent on raw materials supplies from the periphery. The raw materials of the Industrial Revolution had been coal, iron ore, cotton, and wool, and these the core produced itself.[11]

These goods could therefore be considered as luxuries to the European market. As Europeans exercised greater and greater control over the production of these commodities and as they began to establish colonies in

Africa, the prices for these goods were driven down. "Prices for palm oil and kernels - the great staples that developed at mid - century actually fell in the last three decades."[12] Thus we see that the European colonizing powers sought to control the economics of Africa more and more. To do this, power was wrested from local control and in 1880, the partition of Africa began in earnest.

The economic goals of colonialism were simple: to provide maximum economic benefit to the colonizing power at the lowest possible price. As the effects of the Berlin Conference which establish the "rules" of the partition game became clear, those areas of Africa which had previously been developing significant trade and economies of their own were brought under the control of European economic policies. To the British, French, and Germans, the primary colonizing nations, the individual needs of their colonial subjects were not important. Instead the desire to "vertically integrate" the colonies of Europe by controlling production from start to finish became the overriding goal of colonial agents.

Europe was still rapidly developing and therefore needed the raw materials that Africa had to offer. Prior to partition, the European powers had to contend with the varying moods of African governments that, although dependent on international trade, still exercised significant control over their economic development. These nations could produce what goods they desired, some for export and some for internal consumption. Colonialism forced these nations to produce solely for the export market, thereby keeping prices low for their European consumers. One good that stands out in the annals of colonial history is cotton. "The notion that West Africa could be a source for raw cotton was one that arose early and persisted late."[13] The insistence of European powers on the production certain goods was done to the exclusion of the practicality of the crop or the impact on the local economy. In Tanganyika for example, "the colonial authorities shifted labor from food production and attempted to create a surplus of a labor intensive, nonfood cash crop, cotton." The colonial authorities also promoted the minor crops of peanuts and sesame while reducing dietary staples such as millet and sorghum.. This led to inadequacy of the food reserves and subsequently, chronic malnutrition and famine.[14] It has been argued that European industrialization drove the colonial economies to produce commodities useful in an industrial economy. In fact, the demand for products in Europe was often not a factor in the trade of African commodities. "if ivory and rubber prices rose, the reasons for this are only partly rising European demand."[15] This shows that the imposition of economic policy was often arbitrary and unrelated to any real need.

Colonialism was not just about economic subjugation, but about the ability to wrest control of the local economy from African rulers. Improving the production methods or strengthening the economy was not important. "The British opposed the general development of palm oil plantations in Nigeria, despite the fact that the collection method of production was wasteful and produced a poor quality of oil."[16] Colonial powers instituted trade controls that limited colonial imports to those from the colonizing power and restricted exports to that same market. This reduced the freedom of choice in marketing goods that was previously available to commodities producers. Taking this power away under the guise of colonial development made traditional rulers weaker because their power base was destroyed. Since Africans were not allowed to improve their methods or to market their goods freely, they were forced into the colonial system. By insisting on the development of certain crops, Europeans undermined the existing economic power structure and made Africa totally reliant upon Europe for their economic destiny. Driven by outside forces, the local farmer was no longer able to decide for himself what crops to grow or what resources to cultivate. Instead, the decision was made for him in a predetermined market. Under the British for example, colonial economic policy reached far and wide. "few commodities escaped the 'long arm' of the British raw materials trade."[17]

One of the most significant reasons for such stringent economic controls was the desire for colonies to be self supporting. Although originally European nations took great interest in Africa, they felt that the main duty of the colonial governments was to maintain law and order at the lowest possible cost. Economic development and education were considered unimportant and were left to the private sector.[18] Designed to enrich the mother country, colonies were expected to foot the bill for their internal development and administration. "One measure of the viability of a colonial territory was its financial self sufficiency."[19] Ironically, the bill for colonialism was covered in the same way that West African nations had always paid for government: through the taxation of trade. "A large portion of government revenue derived, directly and indirectly, from foreign trade."[20] Unlike its predecessors however, the taxing authorities were foreign powers who had no real interest in supplying the needs of local citizens. Taxing foreign trade and strictly regulating the economy paid for any expenditures for development. This situation persisted after the end of colonialism and its effects are still felt today.

Colonialism completed the process of fully integrating Africa into the world economic system. Similar to the slave trade however, Africans were unequal partners in the arena of international trade and economics. Economic theory dictates that the production of cash crops for overseas consumption invariably enriches the producer as well by utilizing surplus capacity. Under European imperial colonialism, however, these gains were drained off by colonial governments and "the economic well-being of Africa became sensitive to the rise and fall of the demand for these primary products and the movement of industrial prices, over neither of which she had any control."[21] The individual subjects of the various colonial empires did experience some gains in wealth, income, and standard of living, but nothing comparable to the resources they developed. Africa was a net exporter of its wealth during this period.

Colonial economic policy made itself felt in other ways as well. As previously mentioned, African governments focused substantial energy on developing an internal infrastructure for trade during both the era of the slave trade and during the period of "legitimate commerce." Colonial governments, focused solely on the export component of the economy, improved the infrastructure as well. Their interests were only to improve transport of raw materials to market and not the improvement or enrichment of the colonies themselves. "In order to encourage the movement of commodities for export, the government built and operated railways to connect the interior and the coastal markets."[22] This resulted in most of the roads and rail systems in colonial Africa to be oriented towards the coast. Little or no development of railways occurred between colonies or within colonies.

The impact of colonialism affected Africans in other ways as well. While economic policies were designed to keep prices low, under colonialism, agriculture became increasingly commercialized. "The commercialization of land provided an avenue of escape for many of the males of the servile and cheap labor force in agriculture and added the price of land to the cost of production."[23] Thus colonialism saw the rise of a large, landless class of laborers who traveled from place to place in search of work. It became easier to provide wage labor than to produce for the export market. It was certainly an easier and more secure way of obtaining money for taxes and for purchasing consumer goods. Colonialism also changed patterns of work and gender roles. The demands of the cash crop economy forced many women and children into the production system. "these women and children performed the bulk of the labor in farming enterprises that considerably enriched many owners."[24] Colonialism and its economic demands irrevocably altered the social structure of many African societies and set the stage for later problems in African economic development.

Colonialism lasted in Africa for only a period of about eighty years. During that time, colonial governments built a substantial infrastructure, introduced a cash crop system of agriculture, and changed the traditional standards of wealth and status.[25] Education reforms were introduced and in many areas, modern state systems implemented. However, the long term economic impact of European development held some very negative consequences for Africa also. The infrastructure that was developed was designed to exploit the natural resources of the colonies. Also, the technological and industrial development that had been occurring in Africa was stalled by the imposition of colonialism. Prior to the partition of Africa, local production provided Africans with a wide variety of consumer goods. The policies of colonialism forced the demise of African industry and created a reliance on imported goods from Europe. Had native industry been encouraged and cultivated by the colonizing powers, Africa would probably be in a much better economic and technological position today.[26] The most significant negative impact of colonialism on Africa was the overemphasis on single cash crop production. Colonial African economies were focused on the production of one or two agricultural products for consumption in the world markets. The coming of independence during the mid nineteen sixties led to the breakup of many large colonies. The individual nations that remained often could not or did not produce the range of agricultural goods that were produced prior to independence and the breakup of colonies. An example of this is in French West Africa. The interior states of Niger, Burkina Faso, and Mali did not have access to the lucrative cocoa market that tided Cote D'Ivoire through the first precarious days of independence. Other consequences of colonialism is the destruction of trans - African trade and cooperation. Prior to the partition of Africa, the continent had become increasingly integrated economically, with trade occurring north - south and east - west. The policies of the governing powers redirected all African trade to the international export market. Thus today, there is little in the way of inter - African trade, and the pattern of economic dependence continues.

The imposition of colonialism on the continent of Africa occurred for many reasons, not the least of which was economic. Prior to this development, Africa was advancing and progressing economically and politically. Colonialism encouraged this development in some areas, but in many others severely retarded the natural progress of the continent. Had colonialism never been imposed on Africa, its development would be significantly different and many of the problems that plague it today would not exist.

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[3] An Economic History of Africa by Peter Wickins
[4] Africa to 1875 by Robin Hallett

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