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PART ONE

POLEMICS

CHAPTER 1

A PLEA FOR INDIGENOUS ECONOMICS: THE WEST AFRICAN EXAMPLE[1]

This chapter is concerned with the need, in underdeveloped regions such as West Africa, to pursue a subject which, for want of a better term, I call 'indigenous economics'—or the study of indigenous economies. I shall start by outlining the general nature of the subject and by discussing the reasons for its neglect, both during the colonial period and today. Although the whole of my discussion relates to West Africa, it has some relevance to certain other newly developing tropical regions.

Indigenous economics is concerned with the *basic fabric* of existent economic life, with such economic activities as the production of export or other cash crops, subsistence farming, cattle raising, fishing (for cash or subsistence), internal trading in foodstuffs, transportation, economically motivated migration, indigenous credit-granting systems, and so forth. Far from being identified with either pre-monetary or subsistence economics, our subject is more concerned with 'cash activities', not because of their greater importance, for here there is much variation, but for the practical reason that the cash sector is easier to study. Nor are we particularly interested in the old-fashioned evolutionary ideas which would identify 'progress' with a shift from subsistence to cash agriculture, for we know that most West African farmers produce both for subsistence ('own consumption') and for cash, and that an increase in the one type of activity may actually enhance a growth in the other; it is the structure of the relationship between the two types of activity which is interesting and important.

If the scope of indigenous economics is so wide, what then distinguishes it from conventional economics? As I hope that the general nature of this distinction will emerge from the later discussion, I make only a few preliminary points. First, although it is true that the indigenous economist stands in some way opposed to the 'development economist', he is as much concerned with processes of change and modernization which he tends to

[1] First published in *Economic Development and Cultural Change* (October 1966), this article has been slightly amended. It was a revised and expanded version of a paper delivered at the March 1962 Conference of NISER (6).

regard from a non-governmental standpoint. Secondly, the distinction between the two types of economics is not hard and fast, but is mainly a matter of approach: while an indigenous economist might find himself very interested in problems of recruiting labour for a new factory, it could happen that he was unconcerned with what that factory produced. Thirdly, the indigenous economist tends to take the broad lines of government economic policy for granted, in that he is not concerned with their formulation, though he may indeed hold strong views on the effects of introducing new measures! Fourthly, the indigenous economist holds that, while his subject is similar, in a general way, to conventional (or Western) economics,[1] the factors which require emphasis in any situation may be unexpected, so that those who guess on the basis of Western experience are apt to go wrong even on fundamentals; he insists that the economic behaviour of individual West Africans is basically 'rational' and responsive, but that the structure of this rationality requires studying in the field.

The study of indigenous economics was neglected during the colonial period and is contemptuously regarded by nearly all economists today. (Those same intellectual, political, and emotional processes associated with the collapse of colonialism, which provided African historians with such glorious new opportunities,[2] hardened the arteries of economists in relation to indigenous studies—and the new history is seldom economic history.)[3] Traditionally, during the brief colonial period, economists were concerned with the point of contact between West African and European economies, with the economic relationship between the metropolitan country and the colony. This led them to concentrate nearly all their attention on external trade, on the acts of exportation and importation as such, rather than on export crop production or indigenous systems of internal distribution. Faced with the question of *how* export production was organized (by whom, on what sort of scale, under what conditions of land tenure, with what capital and labour, etc.), economists were usually obliged to guess. Quite often, as present evidence is beginning to show, they happened to guess wrong, and a formidable body of 'economic folklore', which took strength from its reiteration in books and official publications, established itself during half a century. One of the incidental concerns of the indigenous economist is the destruction of these economic myths, both by means of

[1] Some writers assume quite the contrary. Thus W. C. Neale, in *Trade and Markets in the Early Empires* (10), p. 371, states that 'the social scientists writing this volume are at least tentatively committed to the view that self-regulating markets (as distinct from fixed-price markets) are the exception rather than the rule—even to the view that they are unique to the nineteenth and twentieth centuries'. A similar ideology is evident in the Introduction to P. Bohannan and G. Dalton, eds., *Markets in Africa* (2).

[2] See I. Wallerstein, 'The Search for National Identity in West Africa' (14).

[3] This is especially true of modern history.

providing an alternative analysis and by the mere process of calling them in question. Even though he so often lacks the material which would enable him to set up a solid structure in place of any myth, he is encouraged to note that, as his work proceeds, he begins to be able to make judgments, in certain contexts, of the kinds of economic happenings which are likely to make good sense, so that he may be quite an effective critic.

In insisting on the narrow scope of conventional economics in regions such as West Africa, I am not exaggerating. We are all far more ignorant than we are knowledgeable. From Dakar to Cameroon, there is very little systematized knowledge relating to the economic organization of internal trade in West African foodstuffs and raw materials—there is scarcely any literature on this subject fit to be thrust into the hands of the visiting expert.[1] Of course, some anthropologists have ventured into economic fields, but they have seldom been concerned with the kinds of generalization which typify economists. Their example is of profound importance to the indigenous economist—but they have not done his fieldwork for him.

Most British, unlike American, economists are wholly ignorant of agricultural economics, which they regard as a separate discipline. The findings of those few agricultural economists who have worked in the field in Nigeria and Ghana, for instance, have had little influence. Besides, agricultural economists have 'neglected traditional agriculture, leaving it to anthropologists, who have made some useful studies'.[2] Present-day economists are far more ignorant of the rural economies of certain poorer regions, including West Africa, than were their nineteenth-century counterparts of the rural economies of Europe. There has been a retrogression of knowledge:

> While agriculture is the oldest production activity of a settled community, surprisingly little is known about the incentives to save and invest where farmers are bound by traditional agriculture. Oddly enough, economics has retrogressed in analysing the savings, investment and production behaviour of farmers in poor countries. The older economist had a better conception than economists now have of the particular type of economic equilibrium relevant under these circumstances.[3]

> Growth economists have been producing an abundant crop of macro-models that are, with few exceptions, neither relevant in theorizing about the growth potentials of agriculture nor useful in examining the empirical behaviour of agriculture as a source of growth.[4]

Agricultural economists are themselves, occasionally, very frank about their ignorance:

> We hear a lot about this gap between the scientific agriculturalist and the native peasant farmer in the tropics... But I don't think there is a gap. You see, neither

[1] [The situation has slightly improved since this article was written in 1965.]
[2] See T. W. Schultz, *Transforming Traditional Agriculture* (13) p. 6. [3] *Ibid.* p. vii. [4] *Ibid.* p. 6.

of them knows how to improve agriculture... What do we really know about the effect of the organic matter as compared with the minerals in the dung of cattle on particular savannah soils in Africa? What do we know about the probable results of attempts to integrate livestock and crop production to get more modern farming systems, not only in savannah Africa but in very many other areas?[1]

A great deal of trouble is caused for us and for the natural scientists themselves because, individually and in subject groups, they assume that their pet ideas and results are more fully finished and marketable than in fact they are. They therefore proclaim that much of their knowledge lies unused.[2]

When West African governments announce that the time is ripe for the introduction of large-scale mechanization programmes in agriculture, agricultural scientists lack either the courage or inclination to raise their voices protesting their ignorance of the consequences—but rather offer their services, usually through international specialized agencies,[3] as technical experts. When West African politicians deplore, as they so often do, the backwardness of farm people, they are unaware of the extent to which they are echoing the conventional ignorance of economists. In West Africa, nowadays, the educated urban classes, notably the politicians, increasingly refer to farmers as 'peasants': this is condescending and misleading, for:

The word 'peasant' denotes, among other things, a degree of rusticity, in comparison with his betters, which we do not feel justified in attributing to the African villager...African villagers do not seem to feel the same degree of ambivalence towards the political superstructure that European, Asian and Latin American peasants do...they do not to the same extent feel judged from above by a set of standards which they cannot attain.[4]

The Beatrice Webb tradition of qualitative field observation and experiment[5] has been out of fashion for some half a century, so it is no wonder that field enquiries were neglected in the British colonies. But even had this spirit of scientific enquiry not fallen into desuetude, it is likely that conventional British assumptions about West African economic behaviour would have inhibited field investigation. Typical implicit assumptions were:

(*a*) That it was the expatriate trader who taught the West African, if only

[1] From an article by J. R. Raeburn in *Proceedings of the Ninth International Conference of Agricultural Economists* (11), p. 483.
[2] *Ibid.* p. 484.
[3] Many technical experts are quite deficient in relevant expertise, compared with certain old-style colonial servants. This is especially true of agriculturalists, who seldom remain in any post for more than a couple of years. (Outside technological fields proper, the whole notion of the 'technical expert', whose expertise is applicable anywhere, is apt to be sham.)
[4] From L. A. Fallers, 'Are African Cultivators to be called "Peasants"?' (4), p. 110.
[5] See Beatrice Webb, *My Apprenticeship* (15).

by example, the elementary facts of economic life. (It followed that the economic response of indigenes was essentially Western and familiar and required no study: if it was not familiar it was not economic.)

(*b*) That the basic fabric of economic life was so simple as to be devoid of interest to economists. (Only by assuming that indigenous economics and Western economics were identical did the former become worthy of study—but then assumption (*a*) came to the rescue.)

(*c*) That, given the complexities associated with 'tribalism' (local land tenure, kinship and inheritance, communal work systems, and so forth), indigenous economies operate on too small a scale, or on too local a basis, to be of interest to economists—and are anyway incomprehensible. (Not until social and political systems have been 'modernized' will economic processes become intelligible. By hastening the collapse of 'tribalism', economists hope to move rapidly towards the day when they will understand events.)

Why is each of these implicit beliefs likely to be misleading?

(*a*) THE WESTERN TRADING EXAMPLE

Of course this was important: West Africans, like everyone else, are apt to be imitative in their economic behaviour. But there were many reasons why the *Western* example was much less important than is commonly assumed, and I select three of these for emphasis:

(1) Other examples were often more important. Thus, it was the North African, or Arabian, example, as demonstrated in the ancient trans-Saharan trade in gold, ivory, slaves, kola, cloth, etc., which set the pattern for long-distance trade within much of West Africa. The principal long-distance traders who linked the northern savannah with the southern forests were the Dioula (who operated mainly in Francophone territory) and the Hausa of northern Nigeria. The northern Muslim example was profound, and many non-Hausa-speaking people in the south employ Hausa trading terms.

(2) In the field of agricultural production, no Western example existed, there being no common basis of agricultural experience and no contact between the farmer and the expatriate trader, who dealt always with African middlemen. Agriculture, unlike trade, was seldom supported or organized by indigenous political authorities, who drew little (if any) revenue from it. This is not to say that agriculture was, in any useful sense, 'inefficient', but rather that it was mainly based on local experimentation and local tradition, adapted to soil, climate, crops, and levels of technology. Recent developments, such as the increased migration of farmers and labourers, which

followed the introduction of new export crops, have tended to create more geographical uniformity than existed hitherto—but this should not be exaggerated.

(3) The expatriate trading firms' strength lay in their ability to adapt themselves to indigenous trading methods—rather than *vice versa*. The firms were sophisticated: they learned how to insinuate themselves into the existing trading structure, and they were not afraid of credit. But as buyers of export produce they scarcely ventured inland until after 1900. Thus, the firms which exported Gold Coast cocoa before 1914 knew hardly anything of the organization of cocoa-farming or of methods of bush buying, which increasingly fell into the hands of Nigerian middlemen. Of course, the actual exporting function of the expatriate firms was indispensable; of course, in the end, they established networks of buying stations throughout the cocoa area: but their skill in buying depended on a symbiotic relationship with their bush-buyers. Indigenous methods of marketing kola (a crop which, in several ways, closely resembles cocoa) owe nothing to the Western expatriate example—they are far more ancient, being based on the northern trading influence.

(*b*) THE BELIEF THAT INDIGENOUS ECONOMICS IS TOO SIMPLE FOR ECONOMISTS

An alternative version of this doctrine is that it is quite permissible for economists to derive conclusions from general information which has a greater validity than more localized material, despite the admitted variations in basic background circumstances. In the early 1950s it was widely believed that West African cocoa marketing boards had fixed the price to the farmer so far below the world cocoa price that cocoa output was bound to fall catastrophically—although, as the whole world knows, it subsequently rose, as one might say, catastrophically. It was tacitly assumed that the basic socio-economic organization of cocoa-farming had no reference to this belief. When one began to study this organization, in all its diversity, one was struck by the fact, then recorded in none of the books, that rapid cocoa development usually involves migration of farmers, and by the remarkable long-sightedness of the migrant cocoa-farmers, who would not stop planting existing lands, or making future plans for the planting of newly acquired lands, just because the cocoa price seemed low during a run of years—which, in any case, in the early 1950s it did not. No one appreciated the strength of the appeal of the marketing board system of fixed prices for producers which, though introduced by the British at the beginning of the war, was very acceptable to West Africans. The notion of a 'right price'—a price which, ideally, should remain stable indefinitely—is very common in West Africa where economic life is riddled with *attempts* to fix prices on a local (or even wider) basis, usually by implicit agreement, for even among well-organized traders, such as butchers, machinery for centralized price-fixing is non-existent. While short-term price-fixing is often effectively achieved, prices are never stable in the longer run (they *are* determined by supply and demand), and institutions which actually lead to the attainment of this ideal are, therefore, usually welcomed with open arms.

Many economists have visited West Africa in advisory capacities since the war, and much of their advice has been very valuable to governments. But convinced as they have been of the simplicity of indigenous economic organization, few of them, or, indeed, of the growing band of prominent West African economists (most of them Nigerians), have used their influence to urge the need for more 'grass roots research'. Also, some of the expatriate advisers, especially a few who have visited Ghana, have ventured into pastures much wider than those in which they are accustomed to graze—with somewhat unexpected results. It may be that when Sir Arthur Lewis asserted, in a much-read report on industrialization of the Gold Coast,[1] that agriculture was stagnant, he had an over-simplified image of agricultural organization based on the presumption that a simple technology necessarily implies simple socio-economic organization, 'inefficiency' (in some absolute, though undefined, sense), and small-scale production—though none of these notions is necessarily true or meaningful.

In questioning these assumptions, as necessary assumptions, I am making no statement at all about the efficiency of West African agricultural systems, though I would observe that economists are much too prone to make 'efficiency judgments' before they have examined existing mechanisms and alternatives. But I am insistent that an apparently commonsense corollary to the stagnation thesis, to the effect that industrialization cannot proceed until labour is 'released' from the farms as a result of improved agricultural efficiency imposed from outside, happens not to be a corollary. This piece of folklore ignores the special factors, which are summed up in the statement that the supply of labour (mostly of savannah origin) is often best regarded as unlimited in quantity. I am not here referring merely to the magnetic attractive power of industrial employment, but also to the willingness and ability of many West Africans to migrate to rural areas—perhaps even happening to fill the jobs vacated by those who have migrated to the cities. It may well be that, up to the present, food farmers have generally organized themselves so as to keep pace with the vastly expanding demand for marketed food which has resulted from the spectacular increase in West African

[1] *Report on Industrialisation and the Gold Coast*, W. A. Lewis (8).

urbanization.[1] So we see how it may come about that economic policies based on apparent economic common sense are more damaging than no policy.

(c) THE BELIEF THAT INDIGENOUS ECONOMICS IS TOO COMPLEX FOR ECONOMISTS

It is here that the economists are deserving of everyone's sympathy. Where is the social anthropologist, let alone the economist, who has not heaved a sigh at the appearance of yet another detailed study of 'all aspects' of a small society? And yet, lamentably, there is hardly any non-anthropological, non-statistical material fit for the consumption of economists desirous of acquiring local background. My point is that such material might be useful, as well as comprehensible. I am insisting that if economists would persist with detailed studies in the field, they would soon learn to discern a variety of forms of standard economic behaviour amid the diversity—that economic behaviour is often more standardized in West Africa than it is in the West. The difficulty is that the diversity *and* the uniformity require simultaneous emphasis. Thus, taking an actual example, we are the more inclined to insist that *most larger cocoa-farmers* (defined, say, as those with 10 acres of cocoa or more) *employ labourers*, because we know that there are some such farmers who rely solely on family labour and can partially understand why their circumstances are 'different'. As we gain experience, we come to see what 'kinds' of cocoa-farmers employ labourers and to associate various types of work with various systems of employment. Nor do we need to travel everywhere in the cocoa-growing zone before attempting such generalization, as has been shown by the work of Dr Marguerite Dupire[2] among the cocoa-farmers of the south-eastern Ivory Coast.

These and other implicit assumptions have partially accounted for the unwillingness of economists to study the basic fabric of economic life in tropical regions such as West Africa. But there are also many practical difficulties, one of the most troublesome being the compartmentalism of indigenous life, which necessitates studying it in terms of individual industries, occupations, sectors and so on, as well as, all too often, in terms of ethnic groups within these classifications. It is this latter point which tends to break the back of the conventional economist, observing, as he must, the

[1] Those who draw up development plans often *assume* the contrary. Thus, on p. 85 of Ghana's *Seven-Year Development Plan* (Accra, 1964), it is asserted that the farmers had failed to keep up with the growing demand for food, though the official published statistical time series relating to prices and quantities of Ghanaian foodstuffs rather indicated the contrary—in so far as one cared to regard them as reliable indicators.

[2] 'Planteurs autochtones et étrangers en Basse-Côte d'Ivoire orientale' (3).

obsessional interest of the 'ethno-economist' in such matters as occupational specialization in relation to ethnic group: how can he learn to think in terms of seventeen (or more) separate (ethnic) labour forces, or fail to be dismayed by the pursuit of ethnic classificatory questions as ends in themselves?

It is this compartmentalism of economic life which partly explains the widespread belief among economists that saving and investment are rare, even as concepts, in indigenous economic life; the economist is so unfamiliar with the forms such saving and investment are apt to take that he does not know where to look for evidence of their existence. (I have heard UN financial experts seriously argue that the admitted unwillingness of individual Ghanaians to buy government securities is evidence of their inability to 'save' in any sense of that word.) The failure of capital to flow between sectors, as in more developed economies, is partly because many farmers, traders, and other business people have such well-developed, even strict, notions of the distinction between capital and spending money and of the proper usages of the former. Though the migrant cocoa-farmers of southern Ghana traditionally invested their savings from cocoa-growing in land-purchase, in the building of houses in the homeland, and in the purchase of lorries (connected with cocoa and food transport), they were usually unconcerned with investing capital in other forms of economic activity. It is only by studying indigenous capital formation sector by sector that the possibilities of inter-sectoral flow may come to be properly appreciated. At present, many of the most important forms of fixed capital, such as cocoa farms, are omitted from all official national accounts, mainly because this reflects traditional accounting practice in developed countries, but also because such farms are wrongly presumed to have come into existence almost accidentally—to be acts of God, rather than man-made capital assets, the creation of which involved much effort, abstention, and planning.

Given this need to study economic life compartmentally (and, alas, ploddingly), should the methods of economists and social anthropologists be distinguished? If the investigator is a social anthropologist, then he must understand the necessity of isolating economic factors; he must also be prepared to use every opportunity of hinging the material he collects either to already existing statistics (or to other broadly based, administratively organized data, such as farm maps, nominal rolls, etc.), or in the last resort (in the absence of existing material) to collect a minimum of simple figures himself. If, however, the investigator is an economist, he should usually discard his traditional procedure of collecting most of his material through field assistants using questionnaires, in favour of a method, learned from anthropologists, which mainly relies on questioning and observing individuals while they are at work. Market women should be interviewed in markets,