

Cambridge University Press 978-1-108-42459-2 — The Wealth and Poverty of African States Morten Jerven Excerpt More Information

Introduction

The book first describes the recent historiography and poses the questions: what is "new" and what is "old" in the economic history of Africa? The first chapter presents the "new African economic history" and summarizes and considers the emerging themes and contributions of the past two decades. Examining the differences in the approaches economists and historians have taken in interpreting social and economic change in the African past, the chapter identifies the central research questions and seeks to bridge the gaps in the methods of these two disciplines. It sets out a potential agenda for African economic history that goes beyond the divide of "causal history" and a "compression of history" (Austin, 2008; Fenske, 2010b) and moves toward the accumulation of more knowledge. A decade of research, particularly using colonial records, has extended the quantitative boundary of investigation and allowed for a richer economic history of the twentieth century in Africa, which has hitherto focused on the persistent negative effect of institutions on economic performance and the persistence of economic failure. The recognition and substantiation of historical economic and institutional change are important, since a dismissal of both economic growth and state formation as failed projects in the twentieth century risks not learning from history: The key is to understand under what circumstances states developed, and under which they did not.

I then turn to the statistical record and reflect on what it means "to see like an African state" in the twentieth century. The statistical record that has been collected, systematized, and synthesized for this book provides a database that challenges existing narratives on African economic development from the nineteenth century into the twentieth. However, the shape of the statistical record itself tells a story. The history of counting and registering people is as old as documented history. It is a central part of a state's effort to govern people and goes hand in hand with taxation. When we look at state-generated



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statistical records, we are primarily seeing the historical footprint of a state. We see what the state knew about itself and what it cared to find out. We also see what the state wanted others to know about it. In this chapter, I give an overview of the history of census taking in Africa and evaluate the basis of the architecture of knowledge that colonial and postcolonial states have left behind. It is particularly important to clarify what kind of questions state records can answer and where other types of evidence will have to be used. This chapter sets the ground for the empirical analysis presented in the three following chapters. It concludes with a discussion of further research, especially the use of other data sources that will enable researchers to expand "new economic history" beyond the colonial period and the use of the

The most important debates center on the question of economic growth, or GDP per capita estimates. Chapter 3 presents and discusses new data and new perspectives on economic growth in Africa. Interest in the economic history of Africa in recent influential economic research has been motivated by the availability of econometric techniques. This methodology has combined evidence from the very recent past (typically GDP per capita today) with evidence that captures some historical event (slave exports, colonial settlers, or geographical variables) to find some root cause of the relative underdevelopment of African economies. This kind of analysis of economic growth in Africa has given the impression that African economics have been stuck in a zero-growth equilibrium for centuries. A longer time perspective makes it clear that growth has recurred in African economies in several periods. The chapter presents new GDP estimates for the colonial period and discusses other historical proxies of GDP growth, such as terms of trade. New data shows that periods of economic growth are not new in Africa, and thus the chapter seeks to place the recent decades of "Africa rising" in historical perspective.

There is of course considerable variation across regions, including pockets of quite strong growth in some places starting in the late 1890s. In some places, that growth lasted well into the 1970s. This puts recent research in a new perspective. The growth literature has been unduly influenced by the so-called lost decades of the 1980s and the 1990s. This ahistorical perspective is worth correcting, particularly because it opens up new research avenues, such as a comparative political



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economy of growth in the colonial period, in the postcolonial period, and since the 2000s.

How have African states evolved over time? Chapter 4 addresses the prominent and sometimes disappointingly vague debate in the social sciences about the role and persistence of institutions. Studying the fiscal institutions of African states provides an easily observable and measurable way of tracing the evolution of institutions through the precolonial, colonial, and post-independence eras. This chapter tackles the issue by examining the composition of government revenues and the level of tax extraction for all territories in Africa from 1890 to 2010. The chapter builds on a database on government revenues for the entire continent with consistent long time series, thus opening up new lines of inquiry into the evolution of African statehood.

Chapter 4 presents real per capita tax rates for countries across the twentieth century and makes some analytical contributions by proposing typologies of development patterns in taxation. Trends in taxation are not uniform and some countries follow distinct paths. This takes us some way toward distilling what the relevant empirical and theoretical questions are – those that could and should be asked about levels and trends in taxation in African countries across the twentieth century. The chapter presents a general continent-wide trend in taxation (subject to much country variation). We see increases in taxation from the beginning of the nineteenth century through the 1960s and into the 1970s, and then a decrease in the 1980s. There was a marked increase in total revenue from the 1990s into the 2010s (Albers et al., 2019).

There is a long history of poverty in Africa. However, the most influential narrative of African poverty tells a story that takes place over a very short period of time. The history of Africa by numbers as told by the World Bank starts in the 1980s with the first Living Standards Measurement Surveys. The story is also a very narrow one. In general, there is a disconnect between the theoretical and historical underpinnings of how we understand and define poverty in Africa and how it has been quantified in practice. Chapter 5 reviews how particular types of poverty knowledge have gained prominence and thus shaped the historical narrative of poverty in Africa. It summarizes recent work on living standards. New sources on real wages and evidence from anthropometric research allow perspectives on trends and relative levels in living standards back to the 1890s and until today.



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This raises the possibility that the narrative of African poverty that was born in the 1980s is a historical anomaly. Such a perspective may also offer a better perspective from which to reach a historical comparative verdict on the more recent "Africa rising" narrative. First, there is nothing phenomenally new about growth in African economies, and second, since evidence of economic growth leading to poverty reduction during the recent period is weak, the period of growth and poverty reduction may compare unfavorably to growth in the 1960s or even to growth in the colonial period.

A few words should be said about the scope and coverage of this book. The book is first and foremost concerned with the big claims about the causes of poverty and wealth in Africa and therefore examines the actual trajectories of economic growth and state development in Africa across the twentieth century. It is also worth noting what this book is not about. It touches only marginally on the topics of agrarian relations and land tenure. It has little to say about religion and gender, and while it certainly raises issues relevant to political history, it has less of a contribution to make in the domains of social and cultural history. It also says little about the precolonial period. Its dominant focus is what new insights we can get from investigating the colonial and postcolonial state records, and the main part of the empirical investigation is based on Anglophone Africa.

In this focus, many other questions are pushed to the sideline. The most obvious here is the lack of focus on the precolonial period (Reid, 2011). The book inherits the lack of attention to the precolonial from the economic literature it is responding to and the research it is summarizing. It is a synthesis of the research by economic historians in the past decade, and the brunt of that work has been focused on decompressing the colonial period. This means that a lot of the new evidence summarized here is from the colonial period. The new insights not only come from unearthing this evidence, but also from connecting it to the postcolonial evidence. That exercise is harder to extend to the precolonial period. With a few notable exceptions, such as anthropometrics, there is a dearth of sources suitable for creating comparable "statistics" for precolonial Africa. This book's focus is shaped by the statistical sources available. This limitation not only applies across time but also across what kind of topics the book gives attention to. For instance, the agricultural sector is not covered in great detail because that sector does not typically figure prominently in state records. Those



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sources recorded taxes, imports, and exports, but little about agriculture. The bias in the book is that of "seeing like a state," a topic I discuss further in Chapter 2.

The terms "historian" and "economist" are used often in the book. I identify as an economic historian, in the sense that I work as a historian in terms of collecting evidence and evaluate evidence, but the terminology, models, and categories of evidence I use are mainly taken from economics. Thus, it might go without saying that the boundaries of the respective remits of "economists" and "historians" are sometimes blurred in my work. This is similar to what is meant with the contrasting pair of "old" and "new" economic history. "New economic history" is primarily preoccupied with quantification and in particular econometric testing to make causal claims. What I describe here is a meeting point between "old" and "new" economic history, where a challenge made by big causal claims from econometric testing has been met by the vigorous activity of scholars chiefly trained in "old economic history" to collect and create quantitative metrics of different types of development, mainly across the twentieth century, but also from the nineteenth. Thus, the focus here is about the fields where both "new" and "old" economic history have had new things to tell: Growth, taxes, and living standards. The key interest is in how big, bold, causal claims by economists have resulted in a reaction by economic historians to collect more new data, chiefly for the colonial period, and how this in turn has shaped and changed what we know about changes in growth, taxes, and living standards since the late nineteenth century. The path for this book was already laid by the existing literature, in particular the research contributions since the late 1990s. This is a proposal for how some of the new stylized facts in growth, taxation, and living standards in twentieth-century Africa change some of our research questions. The "why is Africa poor?" type of literature has been dominant and has pursued very large but perhaps too reductive questions. The greater availability of times series data now allows us to ask more refined questions about the wealth and poverty of African states in the twentieth century, and answer them.