


The Wealth and Poverty of African States

A wealth of new data has been unearthed in recent years on African economic growth, wages, living standards, and taxes. In *The Wealth and Poverty of African States*, Morten Jerven shows how these findings are transforming our understanding of African economic development. He focuses on the central themes and questions that these state records can answer, tracing the evolution of these African states and the historical footprints they have left behind. By linking the history of the colonial and postcolonial periods, he reveals an aggregate pattern of long-run growth from the late nineteenth century until the 1970s, which gave way to the widespread failure and decline of the 1980s that has been followed by two decades of expansion since the late 1990s. The result is a new framework for understanding the causes of poverty and wealth and the trajectories of economic growth and state development in Africa that straddled the twentieth century.

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The Wealth and Poverty of African States

Economic Growth, Living Standards
and Taxation since the Late Nineteenth
Century

MORTEN JERVEN
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CAMBRIDGE
UNIVERSITY PRESS

Cambridge University Press
978-1-108-42459-2 — The Wealth and Poverty of African States
Morten Jerven
Frontmatter
[More Information](#)

CAMBRIDGE UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
New Delhi – 110025, India
103 Penang Road, #05–06/07, Visioncrest Commercial, Singapore 238467

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org
Information on this title: www.cambridge.org/9781108424592
DOI: 10.1017/9781108341080

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First published 2022

A catalogue record for this publication is available from the British Library.

ISBN 978-1-108-42459-2 Hardback
ISBN 978-1-108-44070-7 Paperback

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Preface

Avanti economic historians! Thus sounded the call from Patrick Manning in 1987. But instead, the study of the economic history of Africa declined as an academic practice in the years that followed. Studying material change became unfashionable in African history circles, and economists largely confined their studies to the postcolonial period (Manning, 1987; Hopkins, 1986). This has changed recently, and African economic history is experiencing a renaissance (Austin and Broadberry, 2014), with Antony Hopkins, one of the early and central contributors to the subject, describing the surge of literature on material change in African economies as the “new economic history of Africa” (Hopkins, 2009).

According to Hopkins, this new literature originated in North American economics departments and appeared largely unbeknownst to historians. Although Hopkins noted several shortcomings in the historical approach, he invited historians to engage with the research. These seminal articles succeeded in shifting the focus in development economics from associating growth with policy and drawing attention toward the historical causes of wealth and poverty among nations (Acemoglu and Robinson, 2012; Ray, 2010).

Whether this “new economic history for Africa” is conceptually and methodologically coherent with the “old economic history” of Africa has been hotly debated (Jerven, 2011a). In particular, there was an exchange on whether the new contributions should be called “causal history” (Fenske, 2010b, 2011) or whether the methods result in what Austin called “a compression of history” (Austin, 2008). However, there is no doubt that the seminal papers published more than a decade ago have had an impact on the amount of empirical work that has been undertaken in African economic history in recent times.

The purpose of this short book is to take stock of the many empirical contributions over the past decade. A wealth of new historical data has been unearthed, collated, and organized, much of it from colonial

archives but some from other sources such as military files that recorded the heights of soldier recruits and trading companies that recorded prices and wages (Jerven et al., 2012). To date, the new estimates of levels and trends in wages, growth, living standards, and taxes have been presented in a piecemeal fashion. This book takes up the challenge of synthesizing the new knowledge and assessing how this decade of research has challenged and refined the big research questions posed more than a decade ago.

Concurrent with the change in the economic historiography of Africa, the continent has moved from being depicted as the “hopeless continent” to being described as the hopeful continent that is on the rise (Jerven, 2015). In turn, there is an increasing demand for knowledge about the material history of change in Africa. Focus is shifting from explaining chronic growth failure in the so-called bottom billion (Collier, 2007) toward research that can shed light on the role of states in fostering industrial change and that situates the current period of economic growth, or “Africa rising,” in the context of the history of economic growth in African economies (Frankema and van Waijenburg, 2018).

One of the central arguments in this monograph is that connecting the colonial period to the postcolonial period fundamentally changes the central narrative in the economic history of twentieth-century Africa. In previous analytical models, the postcolonial period has been treated as an “outcome,” and a dismal one at that. Such models identified a historical event in the colonial or the precolonial period as a root cause of this outcome. With the increased availability of time series data, these analytical models need adjusting, since the empirical evidence, on aggregate, tells quite a different story, which is particularly marked in terms of economic growth, and also evident in taxation measures. The aggregate pattern is a long period of expansion, sometimes dating from the 1890s to the 1970s. This gave way to widespread failure and decline in the 1980s, followed by two decades of expansion since the late 1990s. Thus, it seems that the so-called postcolonial growth failure has taken up undue space in explanations of African economic development.

The new description of growth and development since the nineteenth century presented here underlines the need for new analytics. It is no longer enough to explain the causes of the gap between African economies and the rest of the world. A key stepping-stone toward

new models of explanation could be distinguishing between the factors that are structural and those that relate economic trends. In his study of poverty in Africa, John Iliffe (1987) spoke of conjunctural and structural causes of poverty. He defined a conjunctural cause of poverty as a sudden change because of discrete events – failed harvests, disease, and so forth. In contrast, structural causes are those that are linked to changes in the political economy, such as property rights regimes or institutions of taxation. While this book goes beyond a longitudinal investigation of poverty, this explanatory framework is also useful for the analysis of trends in economic growth, taxation, and living standards. Research thus far has tended to focus on the gap between low-income and high-income countries, and has not therefore focused on conjunctural and structural causes for these differences and how the differences have evolved over time.

The key contribution is the assessment of what we now know and the certainty with which we know these patterns to be true. To some extent, this contribution and the research that underlies it is descriptive, despite analytical ambitions, but the descriptive material fundamentally changes the tableau of what is known about development in African economies in the twentieth century. The second contribution is that it identifies the relative importance of the types of factors that can explain changes in economic performance and whether these were simple economic conjunctures or we can associate these with structural changes, such as in economic and political institutions. To some extent, this takes us back to the old debates of assessing postcolonial economic performance from the 1960s to the 1990s and thereby returns to gauging the relative importance of internal policy versus external shocks. However, the time perspective here is much longer and I have attempted to take us further toward explaining the patterns of recurrent growth in African economic history (Jerven, 2010b). The availability of longer-term trends on growth, taxes, and living standards allows for comparisons of the political economy of growth in the waves led by external markets in the colonial period, the growth in post-independence states, and the growth in the period after structural adjustment.

Both conceptually and in the source material, this book focuses on states and state records. The book will thus focus on central themes and questions that these state records can answer. It will focus on aggregate economic performance, chiefly economic growth, real wages, and

trends in real per capita taxes. Other central themes in African history, such as agrarian change, religious institutions, and gender, are missing in this account. One of the central findings of my previous research (as summarized in Jerven 2013) is that what is visible in the state records across space and time varies. One could perhaps view that as a weakness of the study, but because the book takes as a starting point the idea that the state record is a kind of a fingerprint of the state and its activities, that record can serve as a lens through which we can gauge state activity and state capacity. However, that does not always mean that the growth we see is to be equated directly with “development” in a broader sense.

A general survey text in African economic history has not been published since Austen’s 1987 book. The present book is not meant to replace the work of Austen, or that by Hopkins on West Africa (1973). Rather, it is intended to complement them and present new quantitative records based on research on material change in the twentieth century. The book is thematically organized around the big questions of economic growth, living standards, and state formation from the late nineteenth century into the twenty-first century. It takes stock of the amount of empirical work done on material change and African states in the past decades. The challenge is to consider evidence on growth, living standards, and taxes across African countries and link their colonial and postcolonial histories.

Acknowledgments

Complete acknowledgments for this book would require an autobiographical essay that neither space nor the attention of the reader permits. I first sketched an ambitious table of contents in a notebook during a transatlantic flight more than a decade ago, but the research underpinning the book had been underway before I even dreamed of becoming an academic researcher. This book delivers on promises made during the initial research at Simon Fraser University that followed my doctoral thesis in Economic History at the London School of Economics. I am grateful for further funding that allowed me to build on that research on the economic development of African states from the Social Sciences and Humanities Research Council in Canada, and a current grant on the capacity to count and collect from the Swedish Research Council, administered by the Economic History department at Lund University. A list of research assistants who have helped me collect data on taxes, wages, prices, imports, exports, population, and so forth since 2009 would fill several paragraphs, and if the names of all the commentators and colleagues who have offered advice and criticism through seminars, conferences, and informal conversations were also added, there would soon be a short pamphlet.

On a more personal level, I have moved from being a “promising bachelor” to a divorced father of three lovely children. I have moved from Norway to the UK, to Canada, to the US, to France, and then back to Norway again, where I now work at the University of Life Sciences in Ås with an office overseeing the very orchard where I used to climb over the fence after football practice to nick apples more than three decades ago. In Ås, I have found the time and energy to finish the manuscript thanks to the wonderful pastime of managing my family’s organic farm, which has fruit, vegetables, chickens, and five cats. In short, it has been a journey.

One of the professional constants on this journey has been the support of my thesis supervisor, Gareth Austin. I have also, as is documented in the preface, had the joy of working closely with my dear friends and colleagues at the African Economic History Network. Academic work tends to be solitary, but this network has created a sense of common purpose. It was Erik Green who founded it, and I was pleased to be a co-founder on the grant application. I thank Mats Olson and Ellen Hillbom for welcoming me as a part of the excellent Economic History department at Lund University. Lund University and the Swedish Research Council has provided the support for the book with the grant for the project “African States and Economic Development in the 20th Century: Capacity to Count and Collect” (2017–05564). I wish to thank my inspiring and supportive colleagues at the Department of International Development and Environmental Studies (NORAGRIC) at the Norwegian University of Life Sciences, where I have been happily working since 2014, and acknowledge the support of the department for the research funding of data collection and the preparation of the manuscript. Rolf Åsmund Hansen has been my research assistant here throughout and is always reliable. Kate Babitt is the best proofreader I know, and she has worked with me since *Poor Numbers*. Many thanks to the series editor Michael Watson at Cambridge University Press, and for the many helpful comments and advice from the three readers of the manuscript.

This book is dedicated to my children and my love Ellen.