

History of African Trade

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Transforming Africa's Trade

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Foreword

We are pleased to have commissioned this essay on the ‘History of African Trade’ by the distinguished Dr Emmanuel K. Akyeampong, Ellen Gurney Professor of History and of African and African American Studies at Harvard University, and Oppenheimer Faculty Director of Harvard University Center for African Studies.

This essay provides a comprehensive historical overview of trade in Africa from the pre-colonial period to the present, with some insights on the role played by existing monetary arrangements in the continued transfer of resources from the continent even after independence. The essay was written at a time of strategic shift both at the continental level but also within the African Export-Import Bank to emphasize Intra-African Trade as a driver of economic development and structural transformation of African economies. With respect to Intra-African Trade, a key focus of Afreximbank’s strategy, this report highlights the journey and challenges Africa has faced and the lessons we can take to aid the years of transformation ahead of us.

The historical perspective articulated in the essay brings to the fore a different development narrative which I hope will greatly shape the process of structural transformation of African economies in the coming decades; indeed to quote Confucius on the transformative power of history “Study the past if you would define the future.”

I hope you find the content of this essay at the intersection of African history and economic development as insightful and informative as I did.

Thank you.

Dr Benedict O. Oramah

President and Chairman of the Board of Directors
The African Export-Import Bank

Introduction

A 2011 World Bank report on “Africa’s Future and the World Bank’s Role in it,” noted in terms of intra-African trade in this post-colonial era:

While the benefits of intra-African integration are limited (because most African countries produce similar goods), the steps towards regional integration will help overcome market inefficiencies due to low scale and also improve competitiveness with the rest of the world, trade with whom could have huge benefits.¹

This is an important observation to begin with it for it shows how colonial rule and post-colonial economic dynamics have “homogenized African economies” into producers of similar goods, marginalized intra-African trade, and privileged external trade as the main driver of growth in Africa.

This paper provides an historical overview of trade in Africa from the precolonial period to the present, identifying the patterns and dynamics that have driven trade and its role in development and regional integration. It examines how the emergence of regional trade in precolonial Africa was based on the exchange of ecologically specialized goods and not the production of similar goods. Indeed, the survival and prosperity of African communities was so premised on the mutual benefits of regional trade, that scholars of the pre-European contact era noted that in the middle Niger basin in West Africa and in the Indian Ocean external conquest was counter-productive and regional systems emerged that were based on heterarchy and not hierarchy.² Contemporary European sources from the early years of European contact point to African self-sufficiency in material production, and the difficulties Europe had in breaking into African trade when contact was made with the African regions bordered by the Atlantic and

Indian Oceans. Centuries of Euro-African trade, especially the export slave trade that privileged the use of firearms and liquor (both logistical needs in warfare and coveted items in trade), disrupted African production, brought a sense of insecurity, and made the cheaper metals and textiles Europe brought more attractive. African crafts like smelting, for example, declined as blacksmiths worked on imported metals and local iron they traded. The period of economic dependency on Europe and the West had commenced. Historians of precolonial Africa have examined the degradation of African economies, and Joseph Miller’s *Way of Death* on the impact of Portugal’s slave trade on West-Central Africa, the area of present-day Angola, is a classic.³

Colonial rule at the end of the nineteenth century was sparked by a European race for tropical territories and the imagined wealth they possessed in natural resources and people. The role of economics in the scramble and partition of Africa is instrumental. Though we often date the scramble to the Berlin Conference of 1884–85, 1869 was a key year for that year witnessed the discovery of diamonds in Kimberley, South Africa, and the opening of the Suez Canal in Egypt that halved the sailing time between Europe and Asia. Both developments would have enormous implications as they would involve

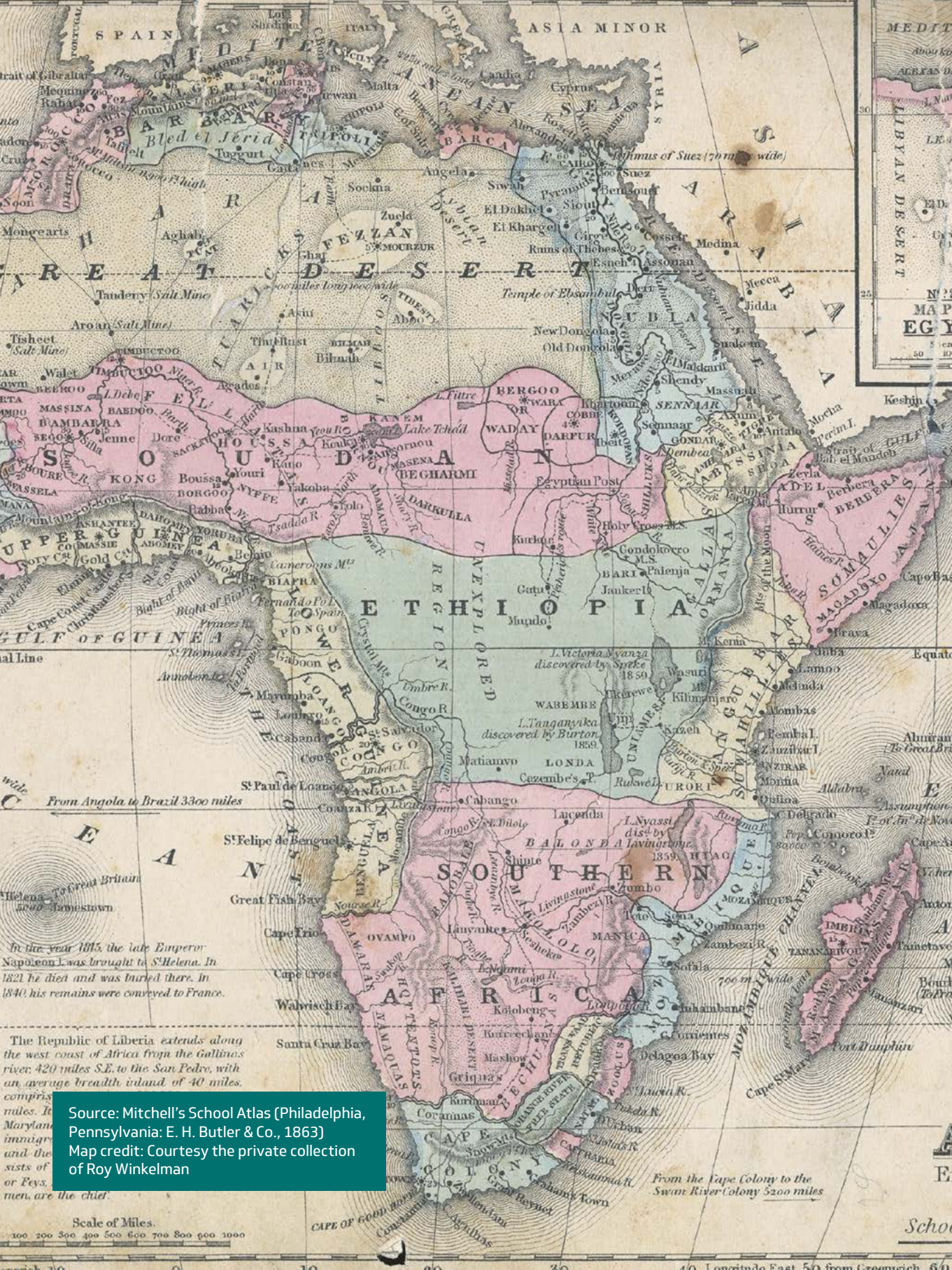
The lack of visionary African leaders and the pervasiveness of corruption deepened Africa's structural challenges.

Europe even more closely in the affairs of Africa, and mark a turn in the European interest to have political control over Africa's economic resources. The onset of global economic recession between 1873 and 1896 intensified the competition between European and African traders, and European merchants played an instrumental role in the annexation of Africa. The history of modern Nigeria cannot be written without assigning a prominent place to George Goldie, founder of the United African Company, later the Royal Niger Company, whose agents signed most of the treaties with African chiefs, which justified British colonial claims to the territory.

It was colonial rule that introduced the monocrop pattern of African economies, elevated cash-crops which could be exported over food crops, undercut African attempts at manufacturing, and eliminated intra-African trade. Africa was firmly integrated into global trade, but as producers of raw materials. The early decades of African independence – the 1960s and 1970s – saw African attempts to diversify their agricultural base, create a manufacturing base, and restore intra-African trade, especially through regional trading blocs such as the Economic Community of West African States (ECOWAS). But development has remained elusive in Africa, a combination of

colonial legacies and the World Bank's insistence on African economies pursuing comparative advantage, that is to continue producing the primary exports that characterized the colonial economy. International development agencies have been deprecating about regional trade, intent on perpetuating Africa's dependence on the developed North.

The lack of visionary African leaders and the pervasiveness of corruption deepened Africa's structural challenges. With the current focus on South-South trade, the endeavors to re-invigorate intra-African trade through regional markets, and the entry of new trading partners from Asia (especially China and India) and the Arab world, Africa has the potential to break out of old trading patterns, diversify investment flows, and explore models of development other than that pioneered by the industrialized West. Africa is at a critical junction, and this important overview aims to give us a deeper context and understanding that would inform our choices in the future.



Source: Mitchell's School Atlas (Philadelphia, Pennsylvania: E. H. Butler & Co., 1863)
Map credit: Courtesy the private collection of Roy Winkelman

Scale of Miles.

100 200 300 400 500 600 700 800 900 1000

From the Cape Colony to the
Swini River Colony 5200 miles

School



Precolonial Africa

1324 –
1325

Precolonial Africa

In the year 1324 the Muslim king of Mali Mansa Musa made a pilgrimage to Mecca stopping at Cairo en route. According to the Arab chronicler Al Umari, Mansa Musa was accompanied by 80 to 100 camel loads of gold and a personal entourage numbering in the thousands. He was generous to a fault, giving gifts of gold to all dignitaries that he had to borrow money at usurious rates to return home to Mali in 1325.

Al Umari, who visited Cairo twelve years after Mansa Musa's stay, wrote that Mansa Musa "left no emir or holder of a royal office without a gift or load of gold, he and his company gave out so much gold that they depressed its value in Egypt and caused its price to fall." This was at a time when two-thirds of the world's supply of gold came from West Africa. Mansa Musa's extravagance brought Mali to the attention of the world and Mali would appear on the "Map of the World" drawn by Angelino Dulcert of Majorca in 1339 and on subsequent maps. Scholars and technical experts from the Muslim world, such as as-Sahili the poet and architect gravitated to Mali, and Timbuktu would emerge as a city of splendid buildings, learning and commerce.

Mali was not the first West African nation to be noted for its wealth in gold; the medieval empire of Ghana was by the eighth century known as "the land of gold" in Baghdad. Instructively, medieval Ghana itself produced no gold, but as the leading political power in West Africa the most important trans-Saharan trade routes passed through Ghana. Trans-Saharan trade reflected the complementarity of regional and international trade. Trade products came from specialized ecological zones: the Sahara was noted for rock salt from places like Taghaza and copper from Akjoujt and Air. The Sahel, the

grassland belt to the south of the Sahara was rich in livestock, and the Soninke of Ghana called their country "Wagadu," which meant the "land of great herds." It was the Arabs who gave the country the name "Ghana," which was a war title given to the ruler of Ghana. The Sahel also exported leather products. The Savannah to the south of the Sahel was the breadbasket of West Africa, and this region produced cereals and fish for long-distance markets. The Niger River and its tributaries provided fish, and the middle Niger was the site for the domestication of African rice. Cereals and dried fish were transported along the river. The forest to the south produced two important products for the long-distance markets, kola nuts and gold. Gold was also available in the basins of the Niger and the Senegal Rivers at Bure and Bambuk respectively. It was Mali's political control of these gold-producing areas that made it one of the richest countries in the late medieval period. By the fifteenth century Akan gold from the forest to the south had entered trans-Saharan trade networks under the guidance of Dyula long-distance traders from Mali. From the coast fish and salt were traded inland. When the Portuguese arrived on the coast of Elmina on the Gold Coast in 1482, which they named El Mina (the mine) because of the visible presence of gold, they also encountered Dyula traders at

Trading patterns in West Africa were so established that the Portuguese struggled to break into West African trade networks.

the coast from the Mali Empire, underscoring the extent of regional trading networks.⁴

Trading patterns in West Africa were so established that the Portuguese struggled to break into West African trade networks. The rocky coastline and the heavy waves discouraged the development of maritime cultures along the West African coast. The Portuguese and other early European visitors found only two West African communities who could take their canoes relatively far into the Atlantic and could serve as canoe men on European ships: the Kru of present-day Liberia and the Mina of the area of Elmina and Cape Coast. Trade in West Africa was oriented inward, and even coastal villages faced inland and not towards the Atlantic Ocean. Coastal trade before European arrival was conducted along the lagoon network that connected the Guinea coast from the Ivory Coast all the way to the Lagos channel.⁵ The Portuguese on their arrival on the Gold Coast found that the most popular cloths or textiles were lanbens and aljaravais, both manufactured in North Africa. Blue cloth and beads were also exported from Benin in present-day Nigeria to the Gold Coast before the European arrival.⁶ What the Portuguese had in their favor were economies of scale and they

used their larger ships and their capital to transport goods in demand along the West African coast; they inserted themselves in the existing trade as middlemen and not as producers. The Portuguese, the Dutch and the English complained through the eighteenth century about how fickle textile consumption patterns in the Gold Coast were. Ray Kea argues that this was because clothing necessities were met through local production, and European imports were luxuries utilized in status claims, hence demand changed very quickly.⁷ Increasingly over the eighteenth century European products would gain a stronger hold on local markets.⁸

Portuguese explorers arrived on the East African coast at the turn of the sixteenth century. An anonymous recorder on the Voyage of Pedro Alvares Cabral in 1500 noted of Kilwa (off the coast of present-day Tanzania): "This island is small, near the mainland, and is a beautiful country. The houses are high like those of Spain. In this land there are rich merchants, and there is much gold and silver and amber and musks and pearls. Those of the land wear clothes of fine cotton and of silk and many fine things and they are black men."⁹

Precolonial Africa

Kilwa was not the only prosperous Swahili town in 1500. Further north were Malindi and Mombasa

Kilwa was one of the richest city-states on the Swahili or East African coast in the two centuries before the arrival of the Portuguese. Its wealth was based on two important factors: the pattern of the seasonal Monsoon winds from Asia to Africa and back to Asia, that made Kilwa the farthest point for ships to sail if they intended to return to their home port in one sailing season; and the fact that Kilwa was the closest coastal port for the gold from the interior Zimbabwe plateau. Kilwa was not the only prosperous Swahili town in 1500. Further north were Malindi and Mombasa, and several works have chronicled this golden age of Swahili civilization between 1300 and 1500.¹⁰ Portuguese aggrandizement would lead to the destruction of Kilwa only to discover that the sources of Kilwa's wealth lay in the interior, and the Portuguese would attempt unsuccessfully for two centuries to gain control of the interior mines. The people of Great Zimbabwe and the successor state of Mwene Mutapa had well integrated internal economies that revolved around agriculture and cattle. Long distance trade was valued for the Indian textiles and beads, for which the interior peoples exchanged ivory and gold. But neither the trade in gold nor

ivory was so central as to destabilize the internal economy. Portuguese sources document the failure of attempts by the Portuguese, and before them Arab-Swahili, merchants to encourage the peoples of the Zimbabwe plateau to devote more time to ivory and gold production, commodities of global value.¹¹

Afrikaners argue that not much was happening in South Africa before 1652, when the Dutch East Indies Company set up a small permanent settlement off the southern shores of Table Bay at the Cape.¹² But this is more of a myth than historical reality. Khoisan and Bantu-speakers populated South Africa with active trading networks. The Khoisan in the southwestern part of South Africa exchanged their cattle, sheep and hunting produce for the iron and copper from the Batswana to the north, and then traded some of these metals to the Xhosa in the southeast for dagga and tobacco. The Xhosa also received iron from the Nguni speakers farther to the northeast. Trading networks crisscrossed South Africa. Indeed, it was the sheep and cattle of Khoi pastoralists of the southwestern Cape that attracted European ships to the area in the first place in the sixteenth century. The displacement and appropriation of the land and cattle of Khoisan in the Cape Province, followed by European wars against the Bantu in the southeast would establish European primacy in South Africa over the eighteenth and nineteenth centuries.



Source: Atlas Civitatis orbis terrarum
Image Credit: Georg Braun and Franz Hogenberg

Regional trade networks also existed in central Africa, which was relatively isolated from the outside world until the penetration of Atlantic and Indian Ocean trade networks in the nineteenth century. The copper belt of present-day Zambia and the Democratic Republic of the Congo has been exploited as far back as the fourth century CE. The area around the Upemba Depression spawned two of the earliest kingdoms in Central Africa from the fourteenth century: the Luba and the Lunda kingdoms. Local and regional trade in this area revolved around fish, salt, iron and copper. The political culture of the Luba-Lunda kingdoms would make copper a prestige good, and the blacksmith's anvil represented a symbol of authority in this region going back to about 1000 CE.

Regional and long-distance trade played an instrumental role in cultural exchange, in the introduction of new technologies and regional integration. Mande traders and blacksmiths from medieval Mali incorporated the Akan forest into trans-Saharan trade networks, introduced to the Akan the technology of deep-level mining (nkoron), and bequeathed to the Akan language several Mande loan words associated with trade, transport, and social categories -- asra (snuff), tawa (tobacco), samina (soap), krataa (paper), ponko (horse), yoma (camel), okoroo (boat), and kramo (Muslim).¹³ Derek Nurse and Thomas Spear demonstrated convincingly in the mid-1980s that Swahili was an African language with Arabic loanwords, and not an Arabic language as had been earlier argued. The basic or core vocabulary of Swahili is Bantu, with the Arab loan words clustered in very specific areas dealing with trade, maritime technology, religion, jurisprudence and other

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specialized subjects.¹⁴ The Indian Ocean became a single world and Swahili sailors were found in the Arab world and in Asia, just as Arabs and Asians frequented the Swahili coast.

But trade can have adverse effects, if it is the wrong kind of trade. This was the case of the export slave trade, which transformed African economies. This was trade in Africans and not in African products. A small number of slaves had been exported from West Africa across the Sahara to the Mediterranean world, and from East Africa to northeast Africa and the Arab world before the advent of the Europeans. The pervasive insecurity bred by the European slave trade, the introduction of destructive technologies, especially firearms, the abandonment of traditional crafts, and the loss of millions of young, able-bodied males and females from Africa has made the export slave trade an important historical process that contributed to the underdevelopment of Africa. This argument was made polemically by Walter Rodney in the early 1970s, but has been restated since then by scholars such as the economic historian Joseph Inikori and the economist Nathan Nunn.¹⁵ Between 600 and 1900 an estimated nine million people were exported through the Trans-Saharan trade. East Africa exported small numbers of slaves until the nineteenth century, when it exported an estimated 800,000 people in a period of one

century. The most detailed database exists in the form of the Atlantic Slave Trade Database compiled by David Eltis, David Richardson and others, which catalogs some 35,000 voyages across the Atlantic from the sixteenth through the nineteenth centuries. The rise of states like Segu and Dahomey in West Africa, whose political economy centered on the export slave trade signaled the birth of a new type of predatory polity hitherto unknown. States like Kongo in west-central Africa that predated European contact were corrupted and weakened through the slave trade. One of the first African states to convert to Christianity (Catholicism), kings of Kongo initially protected Kongo citizens from becoming victims of the slave trade. Kongo's international relations, its desire to build its capital city (Mbanza Kongo) in the mold of an European Christian city, the reality of the African slave as the only international currency Kongo had access to, and constant internecine wars over the kingship weakened Kongo and turned Kongo citizens into prey for slave traders.¹⁶ While Africa, largely Western Africa, lost over 12 million young adults to the Americas, this displaced labor would build the economies and societies in the Americas, an important fact stated unequivocally by Frank Tannenbaum in 1947 and more forcefully in the recent works of Joe R. Feagin.¹⁷



Source: Jacques W. Redway & Russell Hinman, Natural Introductory Geography (New York, NY: American Book Company, 1897) 130
Map Credit: Courtesy the private collection of Roy Winkelman

Precolonial Africa

The advent of steamship service to the African coast from 1852 ended the monopoly over trade of expatriate companies who owned their own sailing ships.

Atlantic trade brought some benefits; it was the export trade in slaves that was detrimental. Atlantic trade introduced new crops and ideas that benefitted Africa. One cannot imagine the agricultural history and diet of Africa today without New World crops such as maize, cassava (manioc), sweet potatoes and groundnuts (peanuts). But Atlantic trade, particularly the slave trade, also introduced certain structural deficiencies and revealed weaknesses in African economies that have persisted to the present. In a recent major work, Douglas Rimmer commented on how huge amounts of Western aid have failed to bring much economic transformation to Africa. He argues that Africa has weak demand for capital, and it is the demand for capital (productivity driven by innovation) and not the supply of capital that is relevant.¹⁸ This phenomenon was evident in Africa by the eighteenth century.

To cite Joseph Miller:

In Africa, the fast pace at which Europeans introduced debt overwhelmed the institutions of a domestic political economy of human relationships, and African borrowers resorted to selling captives to cover the indebtedness on which they had thrived. European financial resources similarly indebted the Americas. To the extent that Africans enslaved in the Americas funded the merchants who extended the credit they supported into Africa, thus stimulating the captures and sales of their successors, slaves themselves were utilized to sustain the historical processes of enslaving them.¹⁹

After over three centuries of the Atlantic slave trade, European powers, first Denmark in 1803 and then Britain in 1807, decided to abolish the export slave trade for their nationals.

“Legitimate trade,” a trade in African products like palm oil, groundnuts, gold, and ivory, replaced the slave trade. Britain emerged as the champion of abolition and it would station its naval squadron off the coast of Africa to interdict slave ships.

The paradox is that the European decision to abolish the slave trade and European intervention to end the export slave trade would involve countries such as Britain more deeply in the affairs of African societies. British representatives entered into treaties with African chiefs to end the slave trade, and seized slave ships lying in West African ports. Christopher Brown writes about how in championing abolition, Britain gained moral capital internationally that would later position British colonialism as “morally superior.”²⁰ The intensification of European industrialization in the nineteenth century placed premium on

African cash crops like palm oil, groundnuts, and cotton. Refined palm oil lubricated railway engines and factory machines, and was used in the manufacture of soap and candles. Groundnut oil was used in cooking. The mid-nineteenth century witnessed a boom in the export of African commodities. The advent of steamship service to the African coast from 1852 ended the monopoly over trade of expatriate companies who owned their own sailing ships. Now steamships, that also carried mail, made regular stops along the African coast, facilitating passenger travel and the freight of goods. The rise of commission agents in Europe, who for a small commission received the produce of African traders and sold them on the European market, and in return bought European manufactured goods and shipped these to their African clients opened up the ranks of African traders.²¹ Increasing understanding of the use of quinine as prophylaxis lessened the danger of malaria, and many European commodity firms stationed European agents along the African coast. Palm oil underpinned the rise of West African merchant princes in the second half of the nineteenth century, and Zanzibar on the East African coast became the world's leading exporter of cloves in the 1840s.²² The simultaneous presence on the coast of West Africa of European naval ships and European commercial interests in an era of rising African commercial assertiveness formed part of the background to the scramble and partition of Africa in the last quarter of the nineteenth century. Matters came to a head in the economic recession of 1873 to 1896, which sharpened commercial competition between African and European traders, and between big and small traders. In the increasingly volatile economic climate, several influential European merchants advocated for the colonization of

Africa. The imperial historian John Hargreaves noted with irony how European military force had been summoned to contain the socioeconomic revolution in West Africa that free trade had unleashed.²³ For contemporary African observers, the scramble for Africa that ensued late in the 19th century was so disconcertingly familiar, that a Lagos newspaper editor wrote in 1891: "a forcible possession of our land has taken the place of a forcible possession of our person."²⁴

A forcible possession
of our land has
taken the place of a
forcible possession
of our person.



Source: Mitchell's School Atlas
Map Credit: Private collection of Roy Winkelman

Colonial Africa

The partition of Africa at the Conference of Berlin, 1884-85



Colonial Africa

Much of the scramble and partition of Africa had been speculative, motivated by the negative desire to prevent other Europeans from seizing potentially rich territories. But Africa had been partitioned at the Conference of Berlin in 1884-85 and the new colonies needed to be administered. Though the two main European powers, Britain and France, held different political philosophies of rule, both were not dissimilar in their search for cost-effective ways of ruling Africa, how to govern Africa on the cheap.

With the advent of colonial rule proper, African economies divided into four types: settler, concessionary, mining and peasant. In all four economies, despite the different labor dynamics, the structure of the colonial economy was similar. Albert Sarraut (1872-1962), Colonial Minister for France from 1920-24 and 1932-3 best captured the structure and intent of the colonial economy.

Economically, a colonial possession means to the home country simply a privileged market whence it will draw the raw materials it needs, dumping its own manufactures in return. Economic policy is reduced to rudimentary procedures of gathering crops and bartering them. Moreover, by strictly imposing on its colonial "dependency" the exclusive consumption of its manufactured products, the metropolis prevents any efforts to use or manufacture local raw materials on the spot, and any contact with the rest of the world. The colony is forbidden to establish any industry, to improve itself by economic progress, to rise above the stage of producing raw materials, or to do business with the neighboring territories for its own enrichment across the customs barriers erected by the metropolitan power.

Hence began the systematic creation of mono-crop, extroverted African economies.

The colonial economy was indeed very rudimentary. Infrastructure was limited. In coastal colonies, railway lines would lead from the port to areas of mineral wealth or imperial threat to facilitate the export of resources and the deployment of troops in emergencies. Infrastructural development stopped short where natural resources were absent, such as the Northern Territories of Ghana. All of Sierra Leone has 84 miles of railway, an accident of disease and segregation. A medical team from the Liverpool School of Hygiene and Tropical Medicine, led by Ronald Ross, visited Freetown from 1899 to conduct a study on malaria and to consider the possible eradication of the disease. They concluded in their report in 1902 that eradication would be impossible or excessively costly and recommended that Europeans in Freetown relocate to Hill Station, a new settlement developed as a segregated residential suburb for Europeans. Hill Station was surrounded by a sanitary cordon of empty land to ensure that infected Africans were kept at a safe distance, and a rail track laid from Hill Station to Freetown to convey colonial expatriates to their sites of work and back home. As if mosquitoes could not ride on trains.

A change in the European approach to African economies commenced especially after World War II, but was followed very quickly by the rise of African nationalism and the move towards decolonization.

There was no manufacturing, and not until World War II do we see the beginnings of secondary industrialization in import substitution goods. And as Sarraut highlighted in the quote above, colonies were forbidden from trading with their neighboring territories.

Since the imperial metropole had the benefit of numerous bi-lateral trade relations with its various colonies, it did not matter if the colony's economy was not diverse as the colonial power only sought one or two major products from each colony: gold and cocoa from Ghana, groundnuts from Senegal, cotton from northern Nigeria and palm oil and cocoa from the south, cotton in Malawi, copper in Zambia, tea in Kenya, sisal in Tanzania and so on. To encourage the production of these goods, existing currencies were demonetized and taxes levied in the colonial currency. Africans entered


the wage economy in order to earn colonial currency to pay taxes. Food production and food security was not necessarily the most important concern of the colonial governments, as they valued commodities that could be exported, earn foreign currency, and be taxed. So the Idoma of the middle belt in colonial Nigeria, though they had a vibrant domestic economy based on yams, which they sold to the miners on the Jos Plateau, were considered economically backward in their resistance to grow the export crop of cotton.²⁵ The narrow colonial economy, coming on top of four centuries of an export slave trade and the flooding of Africa with cheap European manufactured goods, created deep structural weaknesses that Africa is still wrestling with.

A change in the European approach to African economies commenced especially after World War II, but was followed very quickly by the rise of African nationalism and the move towards decolonization. World War II placed premium on shipping space, undercutting the import of European manufactured goods into Africa as shipping space was redirected to the war effort. These were basically consumer commodities – textiles, canned food, beer, and such items. The expatriate companies that imported these commodities, such as the United African Company, began to branch into the local manufacture of these commodities in Africa. The economic devastation to Britain and France during the war made the reconstruction of both countries at the end of the war a huge and urgent endeavor. In the global commodity boom of the 1940s and 1950s, Britain tapped into the foreign exchange reserves of its African colonies through the creation of marketing boards, and France accessed its colonies' resources by creating the CFA franc which was convertible with the metropolitan franc at a rate stipulated by France. Both colonial powers

Colonial Africa

concluded that a developed Africa would help in the reconstruction of Europe. A new template for African economies came on the drawing table, and the colonial engagement assumed a more technical nature. This has been described as the “second colonial occupation,” as expatriate experts of various kinds descended on African societies in the effort to remake African economies. Britain jettisoned its policy of Indirect Rule or rule through native chiefs for a political collaboration with educated Africans in the belief that they would be better partners in the development agenda. New infrastructural plans included crucial investments such as hydroelectric dams to provide electricity for industry and urban residents. African nationalism and the imminent transfer of political power raised concerns for colonial powers about the financial security of these investments. Thus, the Akosombo dam, which had been on the colonial drawing board for years before Kwame Nkrumah became Nkrumah’s responsibility to source financing in an independent Ghana.

Anthony Hopkins has argued that decolonization was the greatest triumph of colonialism in how retreating colonial powers found allies in accommodating African elites, who then ensured the protection of British and French vested economic interests without the cost of political control for the retreating colonial powers. He cites Kwame Nkrumah of Ghana and Felix Houphouët-Boigny of Côte d’Ivoire as prime examples.²⁶ Basil Davidson has bemoaned how African governments inherited the political institutions of their European colonizers without having the leeway to experiment with their own home grown institutions, calling the nation-state the black man’s “burden” and Africa’s “curse.”²⁷ The period after World War II witnessed the creation of a number of international institutions that have shaped the world during an era of American ascendancy. The United Nations founded in 1945 is one. The Bretton Woods Conference of 1944 would give birth to another three: the World Bank, the International Monetary Fund, and the International Trade Organization. The last due to birthing problems functioned for years as the General Agreement on Tariffs and Trade (GATT) until it became the World Trade Organization on January 1, 1995. The larger context of the Cold War often removed altruism from Western political calculations where Africa was concerned. Political independence for Africa from mid-1950s, though exciting, did not promise to be an easy prospect in terms of the challenge of improving African lives.

A historical map of Africa, likely from the early 20th century, showing various colonies and territories. The map is overlaid with a semi-transparent green layer. White text is superimposed on the map, centered over the continent. The text reads: "New infrastructural plans included crucial investments such as hydroelectric dams to provide electricity for industry and urban residents." The map includes labels for major geographical features like the Mediterranean Sea, Red Sea, Gulf of Guinea, and the Equator. It also shows various African countries and colonies, such as Morocco, Algeria, Egypt, Nigeria, and South Africa. A scale bar at the bottom left indicates 1000 miles.

New infrastructural plans included crucial investments such as hydroelectric dams to provide electricity for industry and urban residents.



Independent Africa

Modernization theory
was in vogue in the
1950s and 1960s



Independent Africa²⁸

On independence, diversifying economies and expanding trade internationally and regionally were central African goals. Modernization theory was in vogue in the 1950s and 1960s, and African governments were confident that with the right investment policies foreign investment would come and their countries could industrialize.

To create a more expansive agricultural sector and integrate it into a new manufacturing base together with mining was on the agenda of newly independent governments such as that of Nkrumah in Ghana. In the 1960s the United Nations Economic Commission for Africa (UNECA) encouraged the move towards regional integration, keenly aware that individual African countries were too weak to be strong players in the global economy, either as producers or markets. The ultimate goal was to create a single economic union on the African government, something dear to Nkrumah's heart, though he saw it as a political process as well with the creation of a continental African government. Regional integration was not a novel insight in Africa and had been pursued by colonial governments where desirable. France created the two federations of French West Africa and French Equatorial Africa headquartered at Dakar and Brazzaville respectively. This enabled the free flow of labor and resources in regions where natural resources were unequally distributed and population spread uneven. Britain created a Customs Union between Kenya and Uganda in 1917, and infrastructural development such as the building of the railway from Mombasa to Lake Victoria integrated the two economies. The paradox is how France would move towards

balkanization, dismembering the two federations and creating small, weak countries on the eve of independence.²⁹ This made the newly independent, French-speaking African nation-states easy to control by France.

African countries have valued regional economic integration. Kenya, Uganda and Tanzania continued colonial efforts at regional integration by creating the East African Community (EAC) in 1967. The West African states came together in 1975 to create the Economic Community of West African States (ECOWAS). In 1980 countries in southern Africa, several of whose economies have been tied to that of South Africa's since the discovery of diamonds and gold in that country, formed the Southern African Development Coordination Conference (SADCC). But the existing patterns of trade, which were extroverted, undermined these regional initiatives. For years ECOWAS was plagued by the Francophone-Anglophone divide. Administered in a single federation during the colonial period, the former French countries have more common institutions and structures, from economic institutions to the uniform gauge on their railway lines. The CFA franc tied the Francophone countries to France and made discussions of a common currency a challenge. It was not until the massive

devaluation of the CFA franc by 50% in 1994, when France pushed its former colonies towards the World Bank, that Francophone West Africa perhaps found the prospect of a single regional currency (the Eco) attractive. African countries continued to export primary commodities to the West, for that is how they earned foreign exchange and production structures in either agriculture or mining have been in place for several decades. But this undermined the desire to diversify economies and to move into manufacturing. Stuck in the role of primary producers, Africa's share of global trade has remained marginal: 3% in the 1950s, which was a period of high prices for African primary exports; up to 3.3% in 1970; down to 2% in the 1990s as African economies came out of "the lost decade" of the 1980s, during which Africa actually de-industrialized, losing part of its thin manufacturing base; and still less than 3% now, even with much talk about how Africa is rising.³⁰

The 1980s, which saw African economies in steep decline, witnessed the rise of the Asian Tigers through export-led growth. The result was the conviction among multilateral lending agencies in the 1980s and 1990s that "integration into the global economy was essential to achieve economic growth."³¹ Hence when the Berlin Wall came down in 1989 and subsequent developments signaled the end of the Cold War, indebted African countries that approached the World Bank and the IMF for financial assistance were encouraged to undergo the World Bank's Structural Adjustment Program. While African countries under the auspices of the World Bank underwent trade liberalization policies, currency devaluation, the divestment of state-owned enterprises, and the trimming of the state, the West preoccupied itself with salvaging the political economy of Eastern Europe in the

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aftermath of the fall of the Soviet Union. It is in this unguarded moment that China and other Asian and Arab countries such as the United Arab Emirates (UAE) entered Africa as new trading partners. In Ghana, the UAE in 2011 ranked third in the cumulative value of foreign direct investments since 1994.³² China's trade with Africa would shoot from US\$7.3 billion in 2000 to \$66.5 billion in 2007, reaching \$135.9 billion in 2015. In 2009 China surpassed the World Bank as Africa's top lender and also became Africa's leading trading partner. India, another rising Asian power, is not doing badly in African trade. India-Africa trade rose from \$965 million in 1991 to \$35 billion in 2008. India exports textiles, pharmaceuticals, machinery and instruments, transport equipment, telecom and IT to Africa in exchange for raw materials. India imports 70% of its oil from Africa.

I end this expansive overview of the history of trade in Africa with the intersection of three important developments in the past decade and a half or so with major implications for Africa's trade, the potential for economic diversification, and deeper regional integration. The first is the rise in global prices and demand for Africa's primary products, especially from about 2002. Oil prices was an important case in point, but in the past year the prices of primary products

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seem to be on the decline and it is possible that the more than decade boom in commodity prices may have ended. During this boom period, six of the ten fastest growing countries in the world were in Africa: Angola, Mozambique, Rwanda, Nigeria, Chad and Ethiopia. Second is the provision of China's resource-backed infrastructural loans in the past decade, which have facilitated the rehabilitation and growth of infrastructure in African countries on a scale not seen since the early years of independence. Examples include Ghana's Bui hydroelectric dam financed partly through Ghana's cocoa, and the rehabilitation of the deteriorating TAZARA railroad, originally financed and built by China to link Zambia and Tanzania. There are now plans to extend the TAZARA railroad to Angola, and thus create the first trans-continental railroad from Angola on the Atlantic Ocean to Tanzania on the Indian Ocean. The opportunity exists for Africa to utilize what has been China's insatiable appetite for natural resources to reduce its infrastructural deficit and to insist on technological transfer in China's numerous construction projects in Africa in ways that would aid structural transformation in Africa.

The third development deals with the resurgence of African enthusiasm for regional economic integration. In 1977 the East African Community was abandoned and Southern African Development Coordination Conference limped along until a more invigorated Southern African Development Community replaced it in 1992. In 2000 the East African Community was reborn. When the African Union Heads of State and Government met in Banjul (The Gambia) in July 2006, it recognized eight regional economic communities: the Arab Maghreb Union (AMU); the Community of Sahel-Saharan States (CEN-SAD); the Common Market for Eastern and Southern Africa (COMESA); the East African Community (EAC); the Economic Community of West African States (ECOWAS); the Intergovernmental Authority on Development (IGAD); and the Southern African Development Community (SADC).³³ This trend, in combination with the rise of new international trading partners, has perhaps encouraged the change in the position of international development agencies like the World Bank cited at the beginning of this paper on the prospects for such regional integration. There is the need for an African developmental vision where infrastructural projects are planned or coordinated at the regional level and not seen as national projects. This would promote regional integration and trade, which has remained low with African countries still plugged into international trade.

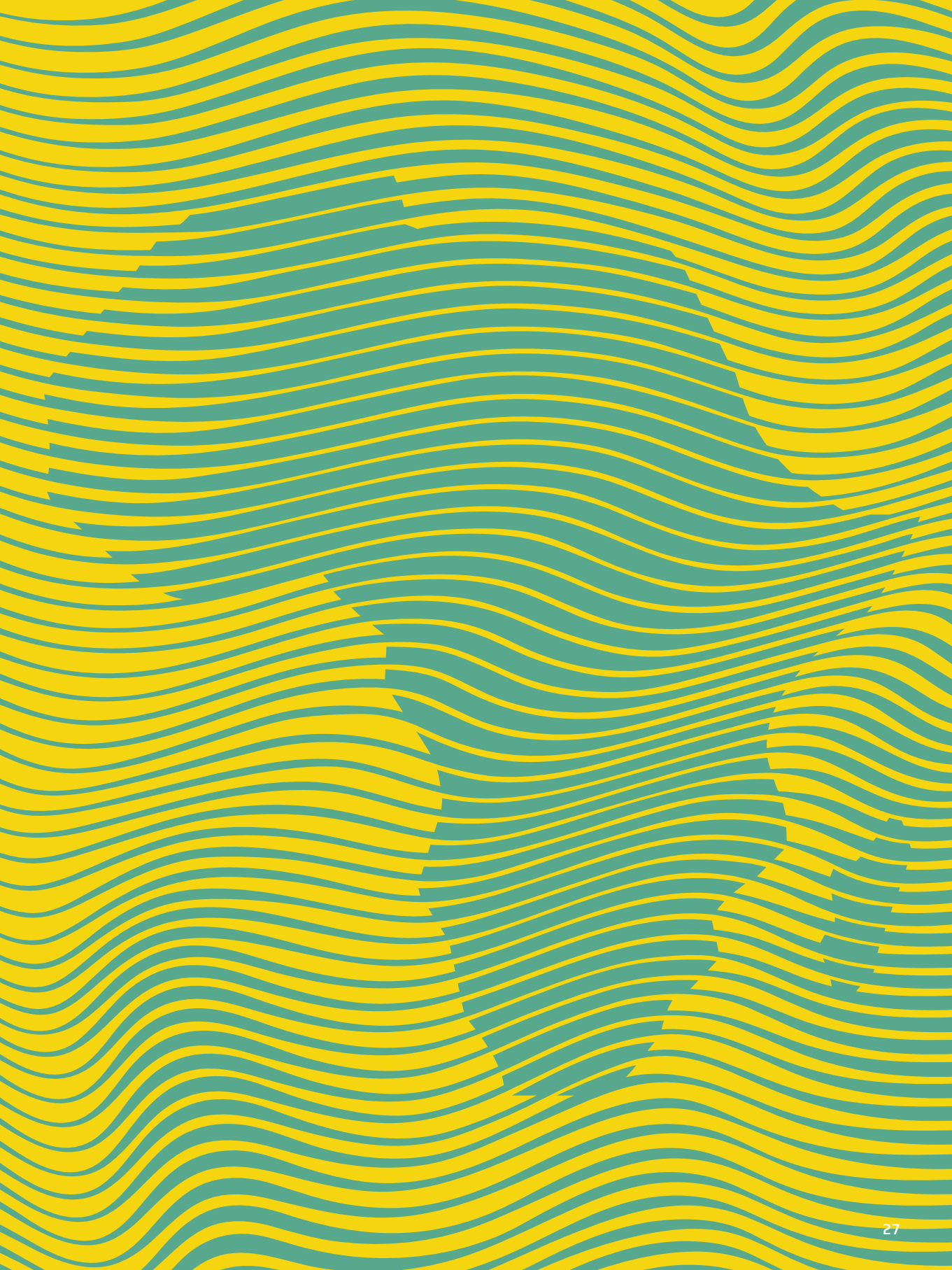
For instance, intra-ECOWAS trade remained a minimal 11 per cent between 1996 and 2001, while over 40 per cent of ECOWAS imports for the same period came from the European Union (EU).³⁴ Despite expressions of political commitment to the vision of a common market and stronger regional trade, trade within the ECOWAS region still has remained low, and a 2011 report based on COMTRADE data estimates that it has remained constant between 10 per cent and 15 per cent.³⁵ Yet there are also promising indicators in regional trade in West Africa in its diversity compared to West Africa's trade outside the continent. This diversity reflects comparative advantage through factor endowments, underscoring a complementarity in regional economies compared to West Africa's economic relations to the West or Asia, which has emphasized the export of agricultural products and minerals. Thus, Ghana, Benin, Togo, and Senegal export more manufactured goods and machinery within West Africa than they do in their trading relations outside the region. In addition, ECOWAS trade seems to represent a significant proportion of the external trade of the less naturally endowed West African countries, underscoring its important role in wealth creation for these countries. Thus, ECOWAS trade represents 78 per cent of Burkina Faso's trade, 60 per cent of Togo's, 46 per cent for Senegal, and 35 per cent for Mali.³⁶ Regional trade hence contributes more to economic diversification, and this can reduce the vulnerability of West African countries to

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external shocks based on the price volatility of the primary products they export to the West and Asia.

Trade has historically been linked to cultural exchange, innovation, economic growth, regional integration, and more open societies. Regional and international trade should be viewed as complementary and not competitive, and the revenues from Africa's primary exports in international trade can be used in regional infrastructural development (transport, electricity, water, education) and the strengthening of a manufacturing base. Regional trade requires regional governance, and its pursuit would require gradual concessions concerning national autonomy. But the development of regional economic and governance institutions would lead to better governance and stronger performing economies. This would in a major way redress the disaster of the Berlin Conference, when Europe artificially carved up Africa, and colonial economies that destroyed the integrity of long-standing regional economic networks.

Ghana, Benin, Togo, and Senegal export more manufactured goods and machinery within West Africa than they do in their trading relations outside the region.



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