



Analyzing the Costs and Benefits of Colonialism

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ANALYZING THE COSTS AND BENEFITS OF COLONIALISM

Assessment of the colonial period in Africa is becoming a fashionable topic. In its crudest terms, the question under study may be reduced to whether the colonial period was a Good Thing or a Bad Thing for Africa--that is, to whether the benefits of colonialism exceeded its costs.¹ Such assessments are being performed primarily in the economic sphere, but could be extended to other aspects of life.

While the number of assessments of the colonial period is becoming considerable, the ground rules for performing a rigorous assessment are not well established. The following considerations are intended to contribute to the rigor of such study. Following the introduction of some objective theoretical considerations, I have felt free to present some more personal feelings, as I believe both are necessary and appropriate for an evaluation of the colonial period. But I have also attempted to label each, since confusion and disputes arise most notably when the two are mixed or mislabelled.

A rigorous assessment of colonialism or of the colonial period in Africa would require the determination of all the relevant costs and benefits to Africans, and then the aggregation of these individual costs and benefits on a logical basis to yield an overall assessment. Without going so far as to propose a specific form for a cost-benefit analysis of colonialism, I would like to list and discuss briefly some of the factors which will surely be part of any such analysis. (1) Trade--trade will take place on a voluntary basis only if it brings benefits to both parties. But, especially when the negotiating strengths of the trading parties are vastly different, it is necessary to ask how the total benefits of trade are divided among the parties, and compare that distribution with what might be considered an equitable division of the benefits. (2) Technical advance--a significant technical advance in the modern period has been, quite simply, the introduction of new crops to many African regions. Other technical advances have included agricultural techniques, improved transportation and communication, etc. Most modern technical advance seems to have resulted from diffusion to Africa of innovations made elsewhere, rather than from research and development in Africa led, for instance, by colonial governments. (3) European investment--European firms and governments invested in such enterprises as railroads and ports in Africa. The investment brought wages to workers, and better transport brought better prices to African producers and consumers. But if the African labor which built the railroads was unpaid or underpaid, then Africans were making much of the investment, and this must be counted as a cost. (4) Government expenditure--government expenditures contributed to social services, such as public health measures, and salaries paid to European and African government employees were largely spent in Africa, which thus generated further income. (5) Taxes--taxes collected by colonial governments were a cost to Africans. It was only worth the cost to Africans if the benefits they received from expenditure of tax revenues exceeded the costs of paying taxes. The colonial period resulted in an extremely sharp rise in tax rates for Africans, and the taxes were highly

regressive. (6) Money--colonial governments established uniform monetary systems, and abolished pre-existing currencies, usually without compensation. The advantages and disadvantages of each currency system for African populations may be assessed. (7) Regulatory action--the first regulatory actions of colonial governments were to tax commerce and to suppress the slave trade. Since then, governments have licensed and regulated much economic activity; some of this regulation has been beneficial to African economies, and some of it has been harmful. (8) Opportunity costs--a significant category of costs to Africans which is difficult to measure and which frequently escapes notice is that of the opportunity cost of any action--that is, the amount that one would have gained by doing something else. Thus, when Africans performed forced labor at low rates of pay, it is correct to count their wages as a benefit, but that benefit must be measured against what they would have earned or produced if they had not been conscripted. Similarly, leaving the countryside to come to the city involves an opportunity cost, i.e. the value of what that person could have produced in the countryside. (9) Education--the investment by colonial governments and by missionary organizations in education has clearly resulted in educational advances for Africans (though it also resulted in a great deal of waste and misdirection). But the students and their families also invested their time and money in education, and this must be counted as a cost to them. (10) Law and order--to the extent that colonialism brought law and order to Africa, it may have contributed to economic stability. But this consideration must also account for the degree of law and order before colonialism, and for any new sorts of illegality and disorder brought by colonialism. (11) Political coercion--colonialists argued that the abolition of "African despotism" was a great benefit for Africans. But the establishment of foreign and unrepresentative governments and the repression of local institutions may have brought significant costs to Africans. Perhaps this question can be tested.

Once the factors to be considered in the cost-benefit analysis have been selected and evaluated individually, the analyst must decide how to weigh them, in order to be able to establish the aggregate cost and benefit. This decision is difficult, and it requires good judgment; various weightings could be defended on different grounds. The analysis could be strictly economic, or it could attempt to assess the cultural costs and benefits of the colonial period as well. But it must distinguish between the general impact on African territories of being drawn into the world capitalist system, and the specific impact of formal colonial administration. The analyst must also define an appropriate period of time over which to perform the evaluation. Variation of the time period will vary the results of the study: investment in education, for example, is a heavy cost with few benefits in the short run, but in the long run it is generally thought to be a very productive investment.

Once the above tasks are performed, the analyst then proposes an overall assessment--an economic-historical hypothesis. A hypothesis is an interpretive assertion, such as "colonialism was a Good Thing for Africans." The analyst asserts his hypothesis on the basis of some evidence or insight, such as by inspection of the data discussed above.

But the final and most significant analytical task is to verify the hypothesis by testing it. The steps required for logical testing and verification of the hypothesis include selection of an alternative hypothesis, selec-

tion of a hypothetical alternative, and analysis of the evidence to see whether (given the hypothetical alternative) the hypothesis or the alternative hypothesis is most consistent with the evidence.²

If the hypothesis is to be "colonialism was a Good Thing for Africans," then a relevant alternative hypothesis would be "colonialism was a Bad Thing for Africans." The selection of an alternative hypothesis is largely trivial, and I will not discuss it further here.³

The hypothetical alternative, which must be selected in order to test an economic-historical hypothesis, represents a counterfactual situation which conceivably could have happened, and against which the actual events may be compared. By comparing a reconstruction of what actually happened to what would have happened in the hypothetical alternative, the historian then judges whether his hypothesis or the alternative hypothesis provides the most valid historical interpretation. While the roles of the hypothesis and of the alternative hypothesis in the interpretation of history are quite straightforward, the nature and the implications of the hypothetical alternative are more complex.⁴

Was colonialism beneficial to Africa?

One may respond: compared to what? The question is not rhetorical. Any assessment of colonialism is based, explicitly or implicitly, on comparison to some standard--or, more formally, hypothetical alternative. Specifying the question, "compared to what?" requires defining what actually happened, and defining the hypothetical alternative. I assert that the colonial period in Africa included three main elements: (1) European economic and cultural penetration of Africa, (2) formal European political control, and (3) primacy of European economic interests over African interests. In what follows, I will attempt to use the term "imperialism" to refer to European economic and cultural penetration of Africa under conditions where European economic interests were primary over African interests.⁵ By "colonialism", I will refer to formal European political control over African territories. Thus, I have defined what actually happened in the colonial period as imperialism plus colonialism, or colonialism as a particular form of imperialism. The terms "imperialism" and "colonialism" are often used loosely and interchangeably. Sloppy use of this terminology is dangerous, because by changing definitions of terms such as "imperialism," it is often possible to change historical conclusions about it.⁶

From the three factors defining the nature of the colonial period in Africa, we may construct the following hypothetical alternatives, with which the colonial period may be compared:

1. Economic isolation--no European economic and cultural penetration of Africa, no formal European control, and primacy of African economic interests.
2. Imperialism without colonialism--European economic and cultural penetration, no formal European control, but primacy of European economic interests over African interests.

3. Benign colonialism--European economic and cultural penetration, formal European control, and primacy of African economic interests over European interests in the colony.
4. Economic independence--European cultural and economic penetration, no formal European control, and primacy of African economic interests over European interests in Africa.

Needless to say, the results of an evaluation of colonialism vary according to the hypothetical alternative against which it is tested. Authors would make the task of their readers much easier if they would explicitly state the hypothetical alternative they have chosen, and if they would explain why they chose it. It is usually possible, however, to determine an author's hypothetical alternative by implication. For example, Gann and Duignan compare the colonial period to the first hypothetical alternative above and sometimes to the second; Crowder compares the colonial period to the third hypothetical alternative; Suret-Canale compares the colonial period to the third and sometimes to the fourth hypothetical alternative; and Fanon compares the colonial period to the fourth hypothetical alternative.⁷ Much of the comparison of these books may be reduced to a discussion of the significance and the appropriateness of the hypothetical alternatives chosen by the authors.

Gann and Duignan interpret modern African history by presenting a view of the continent most flattering to Europeans of great political and economic power. They attempt to show that imperial exploitation of Africa existed mainly in the minds of a few malcontents. Liberal historians such as Crowder will object to the terms of Burden of Empire, and object to its line of colonialist apology, but they do not have any systematic anti-colonialist view of modern Africa. Gann and Duignan say colonialism was a Good Thing. Liberals say colonialism had some good aspects and some bad aspects, and leave the matter unresolved. For those of us--myself included--who wish to develop an anti-colonial perspective on African economic history, the main opening lies in the direction Fanon has taken. Fanon argues that colonialism was a Bad Thing. He sees this not as a moral judgment, but as a statement of the fact of material and cultural oppression of Africans by the colonial system. Fanon does not take positions on whether colonialism was inevitable, or whether it brought benefits to Africa, though it would be possible to take positions on those issues within his general framework. Gann and Duignan represent one pole in the interpretation of modern Africa, and Fanon represents another. Most works on the colonial period fall between one and the other, but it does not appear that any stable sort of compromise between the two can be achieved.

These two polar interpretations amount, so far, to viewpoints or theories, based on some assumptions and a little evidence. But the theories of history remain to be tested, and to be verified, rejected, or modified. At present, we are only at the stage of proposing one hypothesis, and countering it with another hypothesis. It is time we clarified the origins and implications of our hypotheses, and got on with the work of testing.

Which hypothetical alternatives are most appropriate to the assessment of the colonial period in Africa? Of those I listed above, it is very hard to conceive of the first, "economic isolation," actually taking place in the modern world. It is, therefore, only appropriate to assessments of the colonial period which take a very long-run or "archaeological" perspective. The second, "imperialism without colonialism", actually took place in Ethiopia and Liberia, as well as in most of Latin America and in large parts of Asia. Comparison of colonial Africa to this hypothetical alternative should help to distinguish between the general impact of imperialism and the more particular impact of colonialism. The third hypothetical alternative, "benign colonialism", seems to represent a contradiction in terms: it is quite difficult to imagine colonial rulers putting the interests of their African subjects systematically ahead of their own. This hypothetical alternative is therefore relevant not so much for the assessment of colonialism in Africa as for the study of conflicts in European society between supporters and opponents of colonialism and imperialism. The fourth hypothetical alternative, "economic independence", took place unambiguously in but a single non-Western case--that of Japan. But this case (along with the more recent examples of the socialist countries) is sufficient to demonstrate that economic relations on a basis of parity between Western and non-Western economies are conceivable. As the consequences of neo-colonialism become clearer, and as African countries make greater efforts to achieve economic independence, the relevance of this hypothetical alternative to the evaluation of the colonial period will become more obvious.⁸

It will probably not be possible to perform rigorous, global assessments of the costs and benefits of the colonial period to Africa without some preparatory work. The question then reduces itself to that of where we should begin. I would suggest that historians of Africa should immediately tackle some of the following problems: We need studies which differentiate between the impact of colonial rule and the impact of being drawn into the Euro-American-dominated world economic system. When, indeed, did the European economy begin to affect that of Africa significantly? We need studies which differentiate between costs and benefits of the colonial period to individual Africans and the overall social costs and benefits of the colonial period to African societies. We need studies of the impact of taxation on Africa.

We need studies of the nature, the extent, and the impact of investment--European and African--in colonial Africa. We need a theoretical framework for evaluating the distortion of African economies which comes from their heavy dependence on export of primary products and on import of consumer goods. All these questions refer to a strictly economic assessment of the colonial period. It is also important to perform an analogous and rigorous assessment of the colonial period in the social and cultural spheres.

For the moment, however, we remain at the stage of comparing hypotheses on an a priori basis. On this level, therefore, I will conclude with a summary of some of my own assumptions and hypotheses, by responding to the question of how colonialism is to be evaluated as follows:

It is not a comment on the beneficence of Europeans that modern technology, developed in Europe, spread to Africa and other areas of the world

in the era of imperialism. New inventions eventually make their way everywhere. The only way to comment on the relative beneficence of Europeans is to see if they had any influence in speeding up the cultural transfer, or if they helped complete the cultural transfer on terms especially favorable or unfavorable to the recipients.

It seems to me that imperialism was inevitable--that is, European industrial capitalism grew inexorably, digging deeper into its home markets, but also expanding outward, seeking new opportunities. This economic expansion brought with it the expansion of European political and social influence, which enabled the economic penetration to take place more smoothly and profitably. European capitalism had long since begun to prime Africa for the conquest, and capitalism exploited Africa ruthlessly but impersonally in its natural search for profit during the colonial period.

Colonialism, however, was not inevitable--at least not in any given place. As a particular form of European imperialism in Africa it came, first, because Africa was weak and Europe was strong and, second, because African institutions were different enough from those of Europe that Europeans decided that formal empire would serve their needs more effectively than would informal control. If the Africans could demonstrate enough strength (Ethiopia) or enough similarity in institutions (Liberia), they might succeed in avoiding colonialism. In general, the terms on which European influence came to Africa were influenced by the strength and negotiating skill of African peoples.

The Rule under colonialism was and is that the interests of the colonialists were always satisfied first, and the interests of the Africans were satisfied only insofar as it fit the needs of the colonialists. The excesses of colonialism were no accident, and neither is the African hatred of colonialism. African economies are as firmly tied as ever to the Euro-American-dominated world system, and the terms of the links generally run against the Africans. Colonialism has given way to neo-colonialism.

Who bears the burden of empire? The bearers are African. But imperialism, colonialism, and modern technology, though they were used to take much from Africans, have also given to Africans the tools which they could develop and use to regain political independence for most of the continent--and which are now being applied in a struggle to gain economic independence. The continuing battle for political and economic independence will lead, I think, toward a major social transformation in Africa. I do not mean to suggest that social revolution is imminent throughout Africa. But it seems to me that the social faction now in power in most of Africa has neither the strength nor the resources to achieve economic independence, especially if it continues to ignore the interests of the majority of the population. For a time, this will probably result in a great measure of power falling back into the hands of the economic and political leadership of the industrial countries. Africans can only hope to achieve economic independence if the great majority of the population in each nation willingly follows a single, well-conceived policy. But such unanimity can be achieved only in democratic societies, where the peasants and the working people of the towns gain a significant, even predominant influence in determining the policy of their nations. For these small countries, the process of consolidating political independence and of gaining economic independence cannot be completed unless it is accompanied by a profound, democratic,

social and political transformation. Tanzania appears to be undergoing a transformation of this type, and is therefore being watched closely from all sides. Such transformations could give African countries the strength and unity necessary to build self-reliant economies. National liberation and social transformation in Africa, then, will form the basis for the development of Africa on African terms.

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ENDNOTES

1. For four major assessments of the colonial period in Africa, written from different viewpoints during the 1960's, see: Lewis Gann and Peter Duignan, Burden of Empire: An Appraisal of Western Colonialism in Africa South of the Sahara (New York, 1967); Michael Crowder, West Africa Under Colonial Rule (Evanston, 1968); Jean Suret-Canale, French Colonialism in Tropical Africa (New York, 1971); Frantz Fanon, The Wretched of the Earth (New York, 1968).
2. These considerations are inspired in large part by recent work in American economic history. For a clear and easily available introduction to the main lines of this exciting and fundamentally significant approach to economic history, see Robert William Fogel, "The New Economic History: its Findings and its Methods", Economic History Review 19, 3 (1966), 642-56. The main center for discussion of the findings and the methods of new economic history is the Journal of Economic History. For an expansion of these and other considerations in an African context, see P. Manning, "Notes Toward a Theory of Ideology in Historical Writing on Modern Africa", Canadian Journal of African Studies 8, 2 (1974).
3. The choice of another alternative hypothesis might change the outcome of the test. For example, the alternative hypothesis "colonialism was not a Good Thing for Africans" would be marginally less likely to result in verification of the hypothesis than "colonialism was a Bad Thing for Africans". For an attempt to make an explicit, qualitative test of a historical hypothesis against an alternative hypothesis, see P. Manning, "Slaves, Palm Oil and Political Power on the West African Coast," African Historical Studies 2, 2 (1969), 272-288.
4. Fogel, "The New Economic History," 651-56; see also Fogel, "Historiography and Retrospective Econometrics", History and Theory 9, 3 (1970) 245-59, especially 256-9. Despite these analytical considerations, of course, most of the effort of historians is consumed by the collection and presentation of data which may be used in testing hypotheses.

5. Of the three factors I have proposed to characterize the nature of the colonial period, the most ambiguous is the third, the primacy of European economic interests over African interests. It is not always possible to discern whether economic relations have taken place on a basis of parity or whether one party has achieved primacy. Nevertheless, I believe it can be demonstrated that European economic interests gained primacy over African interests almost everywhere in the colonial period.
6. Gann and Duignan emphasize the differences in the theories of imperialism of V.I. Lenin and Karl Kautsky. But these differences spring largely from the fact that Kautsky defined imperialism as territorial expansion, while Lenin defined imperialism as the expansion of economic influence (Burden of Empire, 39-71). I have called the former colonialism and the latter imperialism.
7. Gann and Duignan, Burden of Empire; Crowder, West Africa; Suret-Canale, French Colonialism; Fanon, Wretched of the Earth.
8. From this perspective, Fanon suggests that ex-colonial countries may rightfully demand reparations from their former colonial masters (Wretched of the Earth 95-106).

** Pat Manning, the author of this article, has cheerfully taken on the assignment of being Book Review Editor for the African Economic History Review. If you would like to propose a book for review, or if you would like to review it yourself, you can contact him at the address listed below:

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