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Markets With, Without, and in Spite of States: West Africa in the Pre-colonial Nineteenth Century

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Markets With, Without, And In Spite Of States: West Africa In The Pre-Colonial Nineteenth Century[1]

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This paper offers one Africanist's perspective on the question (to paraphrase Patrick O'Brien)[2] of how, where, when and why a sample of states encouraged or restrained economic growth from recurring. The last phrase places the focus where it belongs: the issue in Sub-Saharan economic history is not the absence of episodes of growth, for such occurred, but rather the rarity with which they recurred or were sustained.[3]

In the perspective of North's conception of the state as - ideally, though by no means always in practice - the supplier of property rights that align incentives to individuals with the interests of the economy as a whole,[4] thereby providing a frame essential for what is termed Smithian growth (growth derived from trade, from market exchange), an obvious hypothesis would be that sustained economic growth in Africa has been inhibited, often effectively prohibited, by the weakness of states - or by states acting, on the contrary, as rentiers, driving a wedge between the

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[1]This paper is exploratory: I welcome the invitation to write it because I intend to examine the evidence and issues more systematically in future work. I also apologise for having written in haste (as is illustrated, unfortunately, by some footnotes lacking page references), while finishing a book manuscript on a different, though not unrelated, theme. I am grateful to Kaoru Sugihara for e-mail conversations some time ago which proved helpful in thinking about the conceptual framework for this paper.

[2]In one of his briefing notes for this workshop.

[3]The reference is to E. L. Jones, *Growth Recurring: Economic Change in World History* (Oxford, 1988).

[4]The qualification reflects North's later work, primarily concerned with why "socially" or, more precisely, macro-economically efficient institutional change has so often not occurred, as distinct from the comparative optimism about state behaviour that characterised North and Thomas. Douglass C. North and Robert Paul Thomas, *The Rise of the Western World: A New Economic History* (Cambridge, 1973); North, *Structure and Change in Economic History* (New York, 1981); North, *Institutions, Institutional Change and Economic Performance* (Cambridge, 1990); North, "Prologue", in John N. Drobak and John V. C. Nye (eds), *The Frontiers of the New Institutional Economics* (San Diego, 1997), 1-12.

incentives to individuals and the interests of the economy as a whole. My view is that states in several regions of Africa, in several periods during the last two centuries in particular, contributed much more positively to market expansion, and to economic growth, than has often been recognised; but that such contributions tended to be double-edged, in that expansions of investment and output were commonly underpinned by the use of coercion to extract labour and natural-resource rents. This paper will outline this argument and its implications, here specifically with reference to the last century before colonial rule - thus including most, or in some areas all, of the nineteenth century - and focussing particularly on West Africa.[5]

Economic growth in the pre-colonial nineteenth-century in West Africa

The reason for this choice of focus is that this nineteenth-century, pre-colonial, West Africa saw two significant episodes of growth proceeding simultaneously, with some interaction between the two. One, probably the larger and certainly the better-known to non-specialists, was based on the coast: the growth of production for of agricultural or semi-agricultural commodities, notably groundnuts (peanuts) and palm oil.[6] The markets concerned were mainly in Europe, and this "legitimate

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[5]I offered a more general statement, focussed on the issue of rent-extracting, discussing the colonial and post-colonial periods as well as the late pre-colonial, and with more attention to Sub-Saharan regions other than West Africa than they receive here, in another hastily-written position paper earlier this year: "Reconsidering the state and economic development in Sub-Saharan Africa: rescuing Arents "from Arent-seeking" (presented to the Seminar on Comparative Economic Development of Africa, Asia and Latin America, LSE, 18 February 2003).

[6]A. G. Hopkins, *An Economic History of West Africa* (London, 1973), 124-35; Robin Law (ed.), *From Slave Trade to 'Legitimate' Commerce: The Commercial Transition in Nineteenth-Century West Africa* (Cambridge, 1995); Martin Lynn, *Commerce and Economic Change in West Africa: the Palm Oil Trade in the Nineteenth Century* (Cambridge, 1997).

commerce" increasingly replaced the export of slaves to the Atlantic market. The other sequence of economic growth, also very important, occurred in the interior, not of West Africa as a whole, but (roughly) of its eastern half: centred on the city of Kano, evidently the largest city in the region, and more broadly on the new Sokoto Caliphate of which Kano was the commercial capital. The Caliphate, created by a jihad of 1804-8, swiftly became the largest state in the region, controlling what is now north-west and north-central Nigeria, and ultimately territory to the west and south of this. Kano was already the leading centre of craft production in West Africa, especially of cotton cloth, which was among the commodities traded over and far beyond. The handicraft industry evidently expanded further under Caliphate.[7] In the 1880s and 1890s Kano producers were actually importing across the Sahara undyed calico from Manchester, which they then dyed and sold on.[8]

It is important to add that the Caliphate economy had a mutually beneficial relationship not only with the trans-Saharan caravan trade and therefore with parts of North Africa, but also with other parts of what are now the republics of Nigeria, Niger and Benin, and, to the east, parts of what are now Chad and Cameroon. For instance, the Caliphate provided the major market for salt and natron from its immediate eastern neighbour, Borno, and from the adjacent sahelian and desert region generally. Lovejoy has shown that several thousands of tons of salt a year were imported to the central emirates of the Caliphate (Katisina,

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[7]Surprisingly, the extensive literature on various aspects of the economic history of the Caliphate has yet to be systematically synthesised. But see first J. E. Ade Ajayi and Michael Crowder (eds), *History of West Africa*, II (2nd edn: Harlow, UK, 1987), chs by R. A. Adeleye and C. C. Stewart and by John E. Flint and E. Ann McDougall; Paul E. Lovejoy, 'Plantations in the economy of the Sokoto Caliphate', *Journal of African History* 19 (1978), 341-68; also Lovejoy, 'Interregional monetary flows in the precolonial trade of Nigeria', *Journal of African History* 15 (1974), 563-85.

[8]Marion Johnson, 'Calico caravans: the Tripoli-Kano trade after 1880', *Journal of African History* 17 (1976), 95-117.

Kano and Zaria) on the eve of its conquest by the British in 1903.[9] To the distant southwest, the major forest state of Asante (in what is now Ghana) benefited from the growing purchasing power within the Caliphate, which increased effective demand for the one dietary stimulant available and permitted to its muslim inhabitants: kola nuts. Of these Asante was a near-monopoly supplier for much of the century, importing in return slaves, cloth, salt, leather goods and other commodities.[10]

Across much of West Africa in this period, increased output of goods for sale created a secondary demand for labour, which was supplied primarily by the purchase of captives generated within the region (mostly by wars and raids), and took advantage of the fact that the closure of the Atlantic slave market led to lower prices for slaves within West Africa. The fact that the sharp fall (by about half) in slave prices on the coast between 1807 and 1820, following British withdrawal from slave-buying, was largely reversed from the 1820s reflected, at least in part, the higher level of internal demand for slaves to fuel the growing output of marketed goods.[11]

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[9] Paul E. Lovejoy, *Salt of the Desert Sun: A History of Salt Production and Trade in the Central Sudan* (Cambridge, 1986).

[10] Joseph LaTorre, 'Wealth Surpasses Everything: An Economic History of Asante, 1750-1874' (PhD thesis, University of California - Berkeley, 1978); Paul E. Lovejoy, *Caravans of Kola: the Hausa Kola Trade 1700-1900* (Zaria, 1980).

[11] Paul E. Lovejoy and David Richardson, 'British abolition and its impact on slave prices along the Atlantic coast of Africa, 1783-1850', *Journal of Economic History* 55 (1995), 98-119; Gareth Austin, 'Between abolition and *jihad*: the Asante response to the ending of the Atlantic slave trade, 1807-1896', in Law, *From Slave Trade to "Legitimate" Commerce*, 103-5; further, Austin, *Labour, Land and Capital in Ghana: From Slavery to Free Labour in Asante, 1807-1956* (forthcoming 2004, University of Rochester Press).

A sketch of the historiography of markets and states in pre-colonial Africa

To place the present argument in context, it is necessary to attempt a summary of the historiography, at the cost of over-simplifying. The first post-colonial generation of historians of Africa challenged the stereotype of weak or missing states and markets, but in ways which often did not correlate the two issues. Economic historians found evidence that both market exchange and supply-response to price incentives were very common in pre-colonial Africa, especially West Africa, as far back as could be documented.[12] Political historians emphasised that the major states of the period were precisely "state-like", with power structures that were autonomous from, and dominant over, mere kinship-based entities.[13] For example the kingdoms of Asante (in what is now Ghana) and Buganda (in what is now Uganda) were seen as undergoing a marked evolution, during the eighteenth and early nineteenth centuries, as centralising monarchies consolidated their superiority over provincial chiefs.[14] The Zulu kingdom, emerging in the 1820s and 1830s, was seen as a new kind of polity in southern Africa, repudiating kinship-based allegiance in favour of personal loyalty to the ruler.[15] In this "Africanist" historiography, therefore, states were seen as both powerful and internally dynamic.

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[12]E.g. Hopkins, *Economic History of West Africa*. The most detailed critical survey of the economic historiography of the 1960s-70s is Frederick Cooper, 'Africa and the world economy', *African Studies Review*, 24: 2/3 (1981), 1-86; reprinted with postscript in Cooper and others, *Confronting Historical Paradigms: Peasants, Labor, and the Capitalist World System in Africa and Latin America* (Madison, 1993).
[13]For a critical survey of the 1960s-70s historiography of the African state see John Lonsdale, 'States and social processes in Africa: a historiographical survey', *African Studies Review* 24 (1981), 139-225.
[14]E.g. Ivor Wilks, "Aspects of bureaucratization in Ashanti in the nineteenth century", *Journal of African History* 7 (1966), 215-32; *Asante in the Nineteenth Century: The Structure and Evolution of a Political Order* (Cambridge 1975; re-issued with new preface, 1989); M. Southwold, *Bureaucracy and Chiefship in Buganda* (Kampala, 1961).
[15]J. D. Omer-Cooper, *The Zulu Aftermath* (London, 1966).

In this literature, however, state effectiveness was not strongly related to the promotion of markets, or at least of private enterprise. To take a leading example, Wilks's classic account of *Asante in the Nineteenth Century: The Structure and Evolution of a Political Order* (1975) drew a parallel between the policies of nineteenth-century Asante monarchs and the state-led, import-substituting industrialization strategy of Ghana's first post-colonial government, that of Kwame Nkrumah. In this and in other works, by Wilks and others, the state was seen as monopolizing or nearly-monopolizing trade, the output of marketable goods, and the inheritance of any wealth accumulated from private enterprise.[16] In a 1967 essay Wilks expressed the view that "The restrictions upon private Ashanti entrepreneurial activity . . . made possible the planned development of the national economy".[17]

Subsequent economic historiography has, in general, reinforced - and refined, rather than compromised - the initial emphasis on the extent to which resources in eighteenth and nineteenth-century African economies were either allocated through market mechanisms (albeit, imperfect and fragmented in many cases) or, where they were not (as with abundant land) were still allocated in ways consistent with an economising response to relative scarcities.[18] That is, responses consistent with individual economic rationality; though, as the cases of slavery and pawning highlight, producing outcomes which were by no means necessarily good for everybody.[19] Much of the corresponding

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[16]For further references see Gareth Austin, '"No elders were present": commoners and private ownership in Asante, 1807-96', *Journal of African History* 37 (1996), 1-30, in which I challenged this interpretation.

[17]Ivor Wilks, 'Ashanti government', in Daryll Forde and P. M. Kaberry (eds), *West African Kingdoms in the Nineteenth Century* (London, 1967), 232.

[18]E.g. 'Posthumous questions for Karl Polanyi: price inflation in pre-colonial Dahomey', *Journal of African History* 33 (1992), 387-420; Nimi Wariboko, "A theory of the canoe house corporation", *African Economic History* 26 (1998), 141-72.

[19]E.g. E. W. Evans and David Richardson, 'Hunting for rents: the economics of slaving in pre-colonial Africa', *Economic History Review* 48 (1995), pp. 665-86; Gareth Austin, 'Human pawning in Asante c.1820-c.1950: markets and coercion, gender and cocoa',

literature on the state has been revisionist: either by downplaying the novelty and extent to which the internal organization of nineteenth-century states represented administrative and political innovations (notably in the Zulu and Asante cases),[20] or by showing that earlier claims of royal control over external trade and other aspects of economic life were exaggerated (Asante, Buganda; another notable case being Dahomey).[21] A recent study by a rational-choice political scientist has re-emphasised the general weakness of state construction in most of pre-colonial Africa: where states existed at all, rulers were usually content to "narrow-cast" power along networks, rather than broadcasting it over whole territories.[22]

The resource base: opportunities and constraints for state- and market-making

The starting-point of the analysis developed in the rest of this paper is the observation that, in West Africa in the nineteenth century, as in most though not all of Sub-Saharan Africa as whole during the same and earlier centuries, land was abundant in relation to labour, in the economic sense that the availability of unskilled labour was a constraint on the expansion of output, but the availability of cultivable land was not.[23] Elsewhere, I seek to qualify this widely-held generalisation, arguing, for

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in Toyin Falola and Paul E. Lovejoy (eds), *Pawnship in Africa: Debt Bondage in Historical Perspective* (Boulder, 1994), 119-59. Reprinted in Lovejoy and Falola (eds), *Pawnship, Slavery, and Colonialism in Africa* (Trenton NJ, 2003).

[20]The literature is large. See, e.g., Carolyn Hamilton (ed.), *The Mfecane Aftermath: Reconstructive Debates in Southern African History* (1995); Larry W. Yarak, *Asante and the Dutch, 1744-1873* (Oxford, 1990), 17-27; and from a different angle, T. C. McCaskie, *State and Society in Pre-Colonial Asante* (Cambridge, 1995).

[21]Austin, '"No elders were present"; Richard Reid, *Political Power in Pre-Colonial Buganda* (Oxford, 2002); Robin Law, 'Royal monopoly and private enterprise in the Atlantic trade: the case of Dahomey', *Journal of African History* 18 (1977), 555-77; Law, 'Posthumous questions for Karl Polanyi'.

[22]Jeffrey Herbst, *States and Power in Africa: Comparative Lessons in Authority and Control* (Princeton, 2000), 35-57.

instance, that it overlooks significant elements of capital formation.[24] The most important qualification, however, is that the notion of labour-scarcity did not apply to the agricultural off-season. For those months, on the contrary, the opportunity cost of labour was very low. This facilitated mining and craft production, while reducing the incentive to devise means of substituting capital for labour.[25] An exception that "proves" the rule occurred in Kano city, probably the largest town, with the most densely populated rural hinterland, in nineteenth-century West Africa.[26] The largest centre of cotton cloth production in West Africa (or, it seems clear, south of the Sahara), nineteenth-century Kano was the site of a technical innovation in African handicraft production. Specifically, Hausa cloth-dyers achieved technical advances, notably the development of new, much larger dyeing pits, which - so their historian persuasively argues - reduced the unit cost of finished cloth.[27]

Land abundance and (for agriculture) labour scarcity affected the forms taken by markets and by states. It meant that goods markets were primarily in non-food commodities. To be sure, there were important exceptions. Pastoral and arable farmers traded their respective products on the frontiers of their respective ecological zones. In northern Senegal, for instance, "Thousands of tons of foodstuffs were exchanged on the

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[23]Hopkins, *Economic History of West Africa*; John Iliffe, *Africans: The History of a Continent* (Cambridge, 1995).
[24]Austin, *Labour, Land and Capital in Ghana*.
[25]For a general discussion of factor ratios and "intensive" and "extensive" responses to these in Sub-Saharan economic history, see Gareth Austin, 'The labour-intensive path to industrialization: an Africanist perspective', paper presented at the International Economic History Association Congress in Buenos Aires, July 2002.
[26]Abdullahi Mahadi and J. E. Inikori, 'Population and capitalist development in precolonial West Africa: Kasar Kano [i.e. Kano emirate, part of the Sokoto Caliphate] in the nineteenth century', in Dennis D. Cordell and Joel W. Gregory (eds), *African Population and Capitalism: historical perspectives* (Madison WI: 2nd ed., 1987), 62-73.
[27]Philip J. Shea, 'Economies of scale and the indigo dyeing industry of precolonial Kano', *Kano Studies* 1: 2 (1975), 55-61; Shea, 'The Development of an Export Oriented Dyed Cloth Industry in Kano Emirate in the Nineteenth Century' (PhD thesis, University of Wisconsin - Madison, 1975), 75, 157-8.

desert fringe".[28] Curtin was referring to the immediately preceding period, but there is no indication that this trade diminished after the ending of the Atlantic slave trade. Salt was a staple of long-distance trade routes over much of the continent, and foodstuffs embodying various forms of protein were sold in local markets (hunted meat, fish, snails).[29] It was not unknown for towns, lacking a fertile hinterland, to be dependent on purchased imports of food, as in the case of Timbucktu, on the river Niger but otherwise surrounded by little but desert.[30] But in general the easy availability of the means of subsistence massively restricted the opportunities for markets in agricultural products. Rather, cotton textiles, salt, currency media (such as cowries and metal bars) were the basis of most goods trade; along with weapons (horses, where applicable, and guns and ammunition).[31]

Meanwhile, the prevailing factor ratio implied the absence of markets for farming rights. Again, there were exceptions to this in the rare cases where land was actually scarce, but as generalizations go, this is a strong one for the nineteenth century.[32] Capital was scarce and interest rates mostly high.[33] The abundance of land, physically and institutionally, entailed - in the absence of significant economies of scale in production - that prospective users of labour could not afford, or could barely afford, to offer wages equal to the reservation price[34] of labour. Thus labour

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[28]Philip D. Curtin, *Economic Change in Precolonial Africa: Senegambia in the Era of the Slave Trade*, 197 (see also 218). See more generally Richard L. Roberts, 'Linkages and multiplier effects in the ecologically specialized trade of precolonial West Africa', *Cahiers d'études d'africaines* 20: 1-2 (1980-81), 135-48.
[29]E.g. Lovejoy, *Salt of the Desert Sun*; Austin '"No elders were present"', 8-10.
[30]Marion Johnson, 'The economic foundations of an Islamic theocracy - the case of Masina', *Journal of African History* 17 (1976), 481-95.
[31]For a general account see Hopkins, *Economic History*, 51-60.
[32]E.g. Hopkins, *Economic History*, 38-9. For a case-study, and a brief consideration of the (net) disincentives to any attempt to make land artificially - institutionally - scarce, see Austin, *Labour, Land and Capital in Ghana*.
[33]E.g. Austin, 'Indigenous credit institutions in West Africa'.
[34]Reservation price of labour: the minimum wage/earnings at which a worker would voluntarily supply his or her labour.

markets, where they existed, took the form of trading property rights in people (slaves, pawns) rather than in their labour power.[35]

In Sub-Saharan Africa generally, land abundance and the generally small scale of agricultural markets meant that it was generally very difficult to raise significant revenue from control of land.[36] Exceptions occurred in polities where land was relatively scarce in at least major parts of the territory: above all in the ancient kingdom of Abyssinia, where revenue took the form of tribute and tithe rather than land rent, but was nevertheless founded on the ruling class=s control of the land ("obligations of taxation were tied to the land, and entailed in its use".[37] In West Africa, in the nineteenth century, I am aware of only one case - but a major one - in which access to land was sufficiently scarce that economically significant revenues could be raised through exactions on output or for access. The Sokoto Caliphate was able to apply forms of taxation drawn partly from the established Islamic repertoire in localities in which, unusually for Africa, land was relatively scarce (albeit, perhaps really only around Kano) and (more widely, not in Sokoto emirate itself but in Kano and Katsina emirates), in which agricultural output for sale was quite considerable in volume and value. These agricultural markets were for both industrial and food crops. The textile industry provided a market for raw cotton and for vegetable dyes such as indigo. Moreover, the Caliphate contained not only Kano but, by contemporary African standards, an unusually large number of towns, creating demand for food crops to support artisans, clerics and officials. In this context it is perhaps not surprising that, in addition to a grain tithe (*zakka* or *zakat*) paid mostly in kind, the state obliged free peasants in most of the emirates to pay a

[35]Hopkins, *Economic History*,23-7. This issue is a major concern of my forthcoming book (Austin, *Labour, Land and Capital in Ghana*).
[36]Robin Law, 'Slaves, trade, and taxes: the material basis of political power in precolonial West Africa', *Research in Economic Anthropology* 1 (1978), 39.

land tax (*kurdin kasa*), and to pay it in cash (cowries). The rates varied, but were higher near towns.[38] In effect, it obliged peasants near towns to produce grain (millet or guinea corn) for sale, in order to earn the cash (in the form of cowries) in which the state required them to pay tax.

Again, given the characteristic factor ratios, rulers sought subjects rather than land per se. To this - but more so in parts of southern and eastern than in West Africa - might be added cattle, in the case of rulers with pastoral economies, such as Zululand. Even in that case, though, the material and military basis of the state was royal control over young male labour: men in what was defined as the warrior grade not only fought for the king but herded his cattle, many of which they had themselves captured.[39] Wealth was measured in subjects, and perhaps cattle too, not in hectares. As a result, most African states did not share their European counterparts' imperative to fight for every square kilometre and press back frontiers.[40] Much more characteristic of African warfare was to secure the subordination of a neighbouring state or stateless society, to be manifested in the payment of tribute - in cattle, slaves or gold as the case may be. Alternatively or additionally, captured people would be re-settled in the interior of the victorious state - as with both Asante and Sokoto.[41]

Not that ordinary cultivators and herders were necessarily doomed to subjection by states. On the contrary, with low population densities the option of physical exit was a real constraint on rulers contemplating impositions on subjects, and one that was widely and repeatedly

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[37]Donald Crummey, 'Abyssinian feudalism', *Past and Present* 89 (1980), 115-38 (quotation, 130).
[38]Paul E. Lovejoy and Jan S. Hogendorn, *Slow Death for Slavery: The Course of Abolition in Northern Nigeria, 1897-1936* (Cambridge, 1993), 162-72.
[39]E.g. Norman Etherington, *The Great Treks: The Transformation of Southern Africa, 1815-1854* (Harlow, UK, 2001), 86.
[40]Herbst, *States and Power in Africa*.
[41]Wilks, *Asante in the Nineteenth Century*; Lovejoy, 'Plantations in the economy of the Sokoto Caliphate'.

exercised by individuals and groups.[42] Even by the eve of the European scramble for Africa, after a century in which - on the whole - state formation and expansion had perhaps predominated - net - over state dissolution, many Africans - perhaps the majority overall,[43] though not in West Africa - lived in societies which were either politically decentralized or were centralized only at a local level, i.e. in stateless societies or in either chieftaincies or city states. Indeed, though it can be argued that there was a cumulative trend, net, towards greater political centralization (in all the senses of more states, territorially larger states, and greater centralization of power within states), this is not entirely clear.[44] The nineteenth century saw the emergence of new states of various sizes, notably several large ones (illustrated above) created by jihadist risings in much of the West African savanna. But even then other states disintegrated, and not only those overthrown by the jihadists. The Oyo empire, which had dominated southwestern Nigeria in the eighteenth century, gave way to smaller polities based on various Yoruba-speaking towns. As to the nature of the 'states', given the frequency of tributary relations and of armed provincial chiefs, the majority - including the Sokoto Caliphate[45] - fitted more comfortably North=s generous definition of states as possessors of a 'comparative advantage' in violence,[46] rather

[42]Igor Kopytoff, 'The internal African frontier: the making of African political culture', in Kopytoff (ed.), *The African Frontier: The Reproduction of Traditional African Societies* (Bloomington, 1987); Herbst, *States and Power in Africa*, 39.
[43]Lonsdale, 'States and social processes in Africa', 139.
[44]Bayart sees pre-colonial Africa as oscillating between centralised states and lineage-based societies. Jean-François Bayart, *The State in Africa: The Politics of the Belly* (London, 1993; French edn, 1989); Bayart, 'Africa in the world: a history of extraversion', *African Affairs* 99, 395 (April 2000), 217-67. For related observations see Lonsdale, 'States and social processes in Africa', 172.
[45]Indeed, the Caliphate never managed to subdue and thereby establish jurisdiction over all the '"pockets of enemy states and people"' within its perimeter (Herbst, *States and Power in Africa*, 54, quoting R. A. Adeleye, *Power and Diplomacy in Northern Nigeria, 1804-1906* [New York, 1971], 52-3).
[46]North, *Structure and Change in Economic History*, 21.

than the more demanding requirement that they have a monopoly of it, within a given territory.

Implications: markets in the context of absent or small states

These limits to the extent of state formation help to account for a major feature of pre-colonial markets, namely the importance of non-state institutions in permitting or facilitating trade. A variety of such institutions have been documented for pre-colonial Africa, including rotating credit societies, secret societies, and systems of bond-friendship and institutionalised feud.[47] In the space available, let me focus on two: the trading diaspora, and 'panyarring'.

The ethnic-cum-religious diaspora was a widespread and important feature of West African commercial life, especially in long-distance trade. The members of a particular diaspora often monopolised trade on a given route.[48] Such trading diasporas operated inside and across the territories of states (or through their networks of control, as it might more precisely be put in many cases).[49] This applied where states did not exist, notably in the Igbo-speaking areas of southeastern Nigeria, as is highlighted in the title of Northrup's book on the subject: *Trade Without Rulers*.[50] The ethnic diaspora, cemented by inter-marriage, and by cultivating a sense of distinct identity,[51] provided what Cohen called a 'moral community'

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[47]For brief discussion see Austin, 'Indigenous credit institutions in West Africa', 102-3, 109; Robert H. Bates, 'The centralization of African societies', in Bates, *Essays on the Political Economy of Rural Africa* (Berkeley, 1983), 23-4.
[48]For a general introduction see the Africa chapters in Philip D. Curtin, *Cross-Cultural Trade in World History* (Cambridge, 1984), 15-59.
[49]A. L. Mabogunje and Paul Richards, 'Land and people - models of spatial and ecological processes in West African history', in J. F. A. Ajayi and Michel Crowder, *History of West Africa* vol. 1 (3rd edn, 1985), 6-14.
[50]Oxford, 1978.
[51]For a case-study see Paul E. Lovejoy, "The Kambarin Beriberi: the formation of a specialized group of Hausa kola traders in the nineteenth century", *Journal of African History* 14 (1973), 633-57.

within which agency problems could be overcome.[52] Among the Hausa diasporas that conducted most of the long-distance trade of the eastern half of West Africa, trading caravans moved between market-places, at which the itinerants would stay with landlords from the same ethnic group, who would introduce them to local trading partners and generally assist them to make contracts. Credit would also be available between members of the same diaspora: ‘moral hazard’ being reduced by common membership. It was reduced also by common religion, which in the case of the Hausa diasporas, and also the Dioula ones that enjoyed an equivalent dominance in the western half of West Africa, was Islam.[53] But other belief systems worked too, though perhaps only at a more local level: the Aro community, whose itinerant traders and residents constituted the predominant commercial diaspora of southeast Nigeria, followed their own gods, as did their fellow Igbo-speaking customers and partners.[54]

The ethnic-religious diaspora was not the only non-state institution to provide a framework for market exchange. Hostage systems were important in economic life in much of the continent, not least in West Africa. In various societies, including the Yoruba-speaking ones (now southwestern Nigeria) a debtor, or members of a debtors’ family or town, could be seized to enforce repayment (a practice known as ‘panyarring’

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[52]Abner Cohen, ‘Cultural strategies in the organization of trading diasporas’ in Claude Meillassoux (ed.), *The Development of Indigenous Trade and Markets in West Africa* (London, 1971), 274. Cohen provided the classic anthropological conceptualisation of the institution of the African trading diaspora. For a new institutionalist account see Janet Tai Landa, ‘A theory of the ethnically homogenous middleman group: an institutional alternative to contract law’, in her *Trust, Ethnicity and Identity: Beyond the New Institutional Economics of Ethnic Trading Networks, Contract Law, and Gift-Exchange* (Ann Arbor, 1994), 101-14.
[53]On the Muslim diasporas, see Curtin, *Cross-Cultural Trade*.
[54]E.g. Northrup, *Trade Without Rulers*, 107-45, though he does not comment on the comparison with the Muslim diasporas.

on the coast).[55] Much more widely and regularly, people needing substantial loans could pawn their junior kin, or themselves, or in some societies their slaves.[56]

So what difference did states make to markets?

Judged by long-term results, and in aggregate, there is a case for answering ‘not much’. The most important source of higher real incomes and better food security for West Africans over the last two or three centuries before the European partition was surely the adoption (selective but progressive) of a range of new cultigens from the Americas (most importantly maize, cassava and groundnuts) - following earlier importations, proximately overland but ultimately from across the Indian Ocean and Red Sea.[57] There is no suggestion that this advance was related to the presence or absence of states, except perhaps in the sense that in so far as the new crops encouraged higher population densities, that reduced the general difficulty of state-construction. Again, Peel has commented that “In West Africa the most segmentary peoples and the most centralized states share[d] the same technological, ecological and physical conditions of existence”.[58] This observation, made in relation to

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[55]E.g. ‘The laws and customs of the Yoruba country’, published in A. G. Hopkins, ‘A report on the Yoruba, 1910’, *Journal of the Historical Society of Nigeria* 5 (1969), 88, 91.
[56]Toyin Falola and Paul E. Lovejoy (eds), *Pawnship in Africa: Debt Bondage in Historical Perspective* (Boulder, 1994); reprinted with additional chapters as Lovejoy and Falola (eds), *Pawnship, Slavery, and Colonialism in Africa* (Trenton NJ, 2003).
[57]For a tentative analysis of the significance of such crop diffusion for African economic development see Gareth Austin, ‘Ecological encounters in Sub-Saharan economic history: incongruities and opportunities’, paper presented at the European Social Science History Conference, The Hague, Feb-March 2002. Copy available on application to g.m.austin@lse.ac.uk.
[58]J.D.Y. Peel, ‘History, culture, and the comparative method: a West African puzzle’, in L. Holy (ed.), *Comparative Anthropology* (Oxford, 1987), 108.

discussion of the determinants of state-building,[59] is equally relevant to its economic effects, implying as it does that states did not show a generally superior (or inferior) economic performance to stateless societies. Admittedly, there may have been a difference (one way or the other) that national income accountants could have identified had they existed at the time; but what is significant is that if such a difference existed, it was not vivid enough to be noticeable by less fine-tuned observation.

Yet agnosticism is insufficient in this context. Non-state institutions could and did permit and even facilitate market exchange, but these themselves involved serious transactions costs, internal and external. Panyarring is an obvious, perhaps extreme, example of this. It might require investment in means of coercion, and surely encouraged investment in means of defence (attendants - guards - to accompany a travelling trader). Certainly it made some bad debtors pay, and presumably deterred some - evidently not all - others from defaulting. But it meant that almost anyone was, in principle, liable to sudden kidnap for reasons probably out of that individual's control. For instance, a Yoruba trader selling in a neighbouring town had to consider the risk of being seized and held against payment of a debt which one of his or her own townsfolk owed to someone in the neighbouring community. The costs involved with the practice of panyarring are perhaps obvious. In this respect, the ethnic-religious trading diaspora may be at the opposite end of the spectrum of non-state institutions. Yet, though without such diasporas the volume of long-distance trade within nineteenth-century West Africa would surely have been much smaller, it is arguable that by

[59]At the broader level of Sub-Saharan Africa as a whole it can be modified: there is a loose association between more fertile soils, greater population density, and state formation: as Abysinnia, and the states of the Great Lakes and Upper Zambezi regions demonstrate (cf. Elizabeth Colson, 'African society at the time of the Scramble', in L. H. Gahn and Peter Duignan [eds], *Colonialism in Africa 1870-1960*, vol. I, *The History and Politics of Colonialism 1870-1914* [Cambridge, 1969], 41).

monopolizing particular trade routes they also captured rents at the expense of customers.[60]

States' provision of public goods

Having emphasised the limits of such private solutions to agency problems, I will proceed to argue that West African states of the period - some more than others - did provide public goods that facilitated the operation of markets, and as a result contributed to at least episodes of Smithian growth. First, they supplied peace within the spaces they controlled. The general importance of this was amplified by the existence of a market for captives throughout most of the region, in this period as well as during the Atlantic slave trade. For obvious reasons, states who sold slaves generally sold foreigners (whether captured by their own forces, or purchased from the original captors). If you lived within a militarily strong state your vulnerability to seizure, whether by raiders or invaders, was very low. This does not mean that inhabitants of stateless societies were necessarily helpless. The alternative to Leviathan's protection – and to his protection racket, perhaps - was to take refuge in hills or to construct impenetrable thickets. Such societies - often 'pagans' resisting incorporation in neighbouring Islamic states, whether Sokoto or on the Senegal coast - earned (one might say, they had to earn) a reputation for killing strangers on sight.[61] This was rational behaviour; but it can hardly have favoured Smithian growth.

The second public good is an extension of, but not reducible to, the first. Certain states specifically sought to protect trade by giving physical

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[60] Gareth Austin, 'African business in nineteenth-century West Africa', in Alusine Jalloh and Toyin Falola (eds), *Black Business and Economic Power* (Rochester NY, 2002), 125.

protection to market-places and adjoining trade routes against banditry. Dike noted this of the Niger Delta 'city-states' during the Atlantic slave trade,[62] and there is no indication that it ended with that particular activity. During the first decade of the nineteenth century the Asante government evidently decided to secure and develop Salaga, a community in the savanna to the north of the Asante forest which until then was apparently an ordinary village of no exceptional commercial importance, as its designated entrepot for trade with Hausa and other savanna merchants.[63] Salaga became one of the major markets of nineteenth-century West Africa. The Asante government's role in this has been seen as evidence of state control of trade, and in his 1970s work Wilks argued that state traders enjoyed a monopoly of the trade in certain periods.[64] It now seems clear, however, that while state traders enjoyed the privilege of first access to the market when it opened in the dry season, Asante private traders were able to use the market too and thereby benefit from the state's military protection.[65] In this context it is worth emphasising that West African states varied politically and socially. The Asante state that made Salaga its market was highly martial in ideology and leadership, and its support for commerce appears to have been strictly instrumental towards its military, fiscal and political ends. The state of Kong, which at its peak extended over much of what is now north-central Ivory Coast and southern Mali, had been created in the eighteenth century essentially by

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[61] James F. Searing, '"No kings, no lords, no slaves": ethnicity and religion among the Sereer-Safèn of Western Bawol, 1700-1914', *Journal of African History* 43 (2002), 407-29.

[62] Dike, *Trade and Politics in the Niger Delta*, 45.

[63] Wilks, 'Asante policy towards the Hausa trade', in Claude Meillassoux (ed.), *The Development of Indigenous Trade and Markets in West Africa* (London, 1971), 124-32.

[64] Wilks, *Asante in the Nineteenth Century*, e.g. 689.

[65] LaTorre, 'Wealth Surpasses', 262-3; Austin, 'Between abolition and *jihad*', 99 and (disputing the notion of Asante state monopoly in external trade at Salaga and generally), Austin, '"No elders were present"', 12-16. Protection against banditry was a real advantage in this locality: see the Krause manuscript in Jack Goody and T. M. Mustapha, 'The caravan trade from Kano to Salaga', *Journal of the Historical Society of Nigeria* 3/4 (1967), 611-16.

Dioula traders. It may be assumed, therefore, that the high priority it gave to protecting trade routes stemmed more directly than in the Asante case from the interests and beliefs of its leaders and supporters. This policy was continued even though political power in Kong shifted gradually into military hands[66] (conversely, in Asante a 'peace party' gained political influence in the second and third quarters of the century, advocating trade rather than further military expansion or even renewed conflict with the British and their African allies on the Gold Coast south of Asante).[67]

Third, as Lonsdale noted, "One of the marks which distinguishes states from stateless societies is the application of law as enforceable adjudication rather than socially sanctioned mediation between parties."[68] In Asante, for example, there was a specific procedure for transferring a private dispute to a public court: if one party swore the chief's oath, the case was automatically brought before that particular chief and elders.[69] Like peace, the provision of enforceable adjudication was a public good provided by rulers for motives that did not necessarily include the advancement of trade or the prosperity of the citizenry. In this case the motive may have been jealousy of local autonomy, and a desire to capture rent - for court decisions tended to come at a fee even to the successful litigant. But the option of going to court, roundabout and expensive as the method might be, was an important addition to the means available to parties to ensure fulfilment of contracts. Again, it was surely to the advantage of market exchange at all levels that relatively strongly centralized states such as Dahomey and Asante prohibited

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[66]Victor Azarya, 'Traders and the center in Massina, Kong, and Samori's state', *International Journal of African Historical Studies* 13 (1980), 420-56.
[67]Wilks, *Asante in the Nineteenth Century*.
[68]Lonsdale, 'States and social processes in Africa', 158.
[69]R. Sutherland Rattray, *Ashanti Proverbs* (Oxford, 1916), 129-31.

panyarring.[70] Conversely, when the authority of central government in Asante fell into disarray in or by 1883, in between a disastrous war with Britain and its allies and an imminent civil war, panyarring revived and proliferated until central order was restored.[71] While it flourished, a newspaper published in the neighbouring British protectorate of the Gold Coast commented of Asante that ‘Panyarring prevails to so great an extent that those who have the means to engage in traffic fear to invest their money in trade . . .’[72]

Fourth, enlarging the scale of political organization, whether by creating a state in an area previously without one, or by creating a super state over territory previously divided between smaller states, offered the opportunity to unify markets. Flint and McDougall comment that with the establishment of the Sokoto Caliphate, “the imposition of a single, imperial system over pre-existing Hausa states famed for their industry and trade, created the largest single market in West Africa.”[73] They are surely right, in that it seems that indeed barriers were reduced under the Caliphate: as in the formation of Asante and Dahomey earlier. But this very case is a reminder of the need for caution about such judgments, because of over-lapping sovereignty and therefore the possibility of local tolls being imposed: the emirates operated underneath the Caliphate umbrella.

Fifth, some states at least took active responsibility for the physical maintenance of trade routes. The most fully documented case is Asante, where the central government fined villages who failed to maintain their

[70]Robin Law, ‘Finance and credit in pre-colonial Dahomey’, in Endre Stiansen and Jane I. Guyer (eds), *Credit, Currencies and Culture: African Financial Institutions in Historical Perspective* (Uppsala, 1999), 25-6; Gareth Austin, *Labour, Land and Capital in Ghana*.
[71]Austin, *ibid.*.
[72]*The Western Echo* (Cape Coast), no. 1, 18 Nov. 1885.
[73]Flint and McDougall, ‘Economic change in West Africa’, 392.

allocated stretch of the wide paths through which commerce (and officials and armies) passed, in the face of the eagerly encroaching forest.[74]

Sixth, certain states - not all - promoted the use of currency, and of common currencies at that. The Sokoto Caliphate's insistence on the land tax being paid in cowries is one example of this.[75] Asante went further: though the cowrie was the currency used in Salaga in the trade between the Asantes from their forest homeland and the Hausa and other merchants of the savanna, within Asante proper gold dust was the only legal currency. Moreover (something which as far as I am aware was unique in the region) the central government supplied the currency, in the sense that the gold dust was obtained by the treasury pulverising gold nuggets, which by law had to be forwarded to the capital by the finder's chief to be taxed and literally turned to dust.[76]

Seventh, it is arguable that the basic reason why European states colonized African ones was not because the latter were incapable of providing peaceful conditions for trade, or of making credible deals with foreign concession-seekers, but rather because of their very success in defending the economic interests of their own merchants and producers against foreign competition.[77]

Last but far from least, states assisted their subjects' economic activities, not only in the trade phase but also in social relations of

[74]Wilks, *Asante in the Nineteenth Century*.
[75]Cf. Law, 'Slaves, trade, and taxes', 47, 49.
[76]Austin, *Labour, Land and Capital in Ghana*.
[77]See Carolyn M. Warner, 'Sovereign states and their prey: the New Institutionalist Economics and state destruction in nineteenth-century West Africa', *Review of International Political Economy* 5 (1998), 508-33 cf. Austin, "Between abolition and *jihad*", 107-10. Compare A. G. Hopkins, 'Asante and the Victorians: transition and partition on the Gold Coast', in Roy Bridges, ed., *Imperialism, Decolonization and Africa* (London, 2000), 25-64, and the debate between Warner and Hopkins in *Review of International Studies*: Warner, 'The political economy of 'quasi-statehood' and the demise of 19th century African politics', *ibid*., 25 (1999), 233-55; Hopkins, 'Quasi-states, weak states and the partition of Africa', *ibid*. 26 (2000), 311-20; and reply by Warner.

production: by securing factors of production, and doing so on relatively favourable terms. I will elaborate this point below.

The costs of states to their subjects' economic activities

Public services came at a cost, and as in other periods and places, a major problem for economic development was that there was no close relationship between the service provided and the price extracted. The most obvious price was taxation. It is very hard to get an overall quantitative picture, but it seems clear that regular tax burdens in nineteenth-century West Africa were far from penal.[78] The difficulty of imposing taxes on land, or direct taxes of any sort, make this unsurprising. The basic difficulty of state formation in this land-abundant region, after all, was the fact that tax-payers were liable to leave if pressed too hard - as the French were to be reminded during the colonial era.[79]

A further cost was the absence of peace: in the sense that while states offered peace internally, many states in nineteenth-century West Africa were almost continuously at war (like Britain and France), if only - most of the time - in some periphery. In the cases of Sokoto and Asante, the costs (in all senses) that this imposed on domestic producers and traders was probably more than offset by the supply of cheap labour from the captives taken and tribute obtained, especially from smaller states or stateless societies.[80] But in the case of the Yoruba state of Ibadan, one of the successors to the Oyo empire, Awe has argued that the costs of

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[78]Not even in the Asante case, most associated in the literature with confiscatory taxation. See Austin, '"No elders were present"'.
[79]A. I. Asiwaju, 'Migrations as revolt: the example of the Ivory Coast and the Upper Volta before 1945', *Journal of African History* 14 (1976), 577-94.
[80]Lovejoy, 'Plantations in the economy of the Sokoto Caliphate'; D. J. E. Maier, 'Military acquisition of slaves in Asante', in David Henige and T. C. McCaskie (eds), *West*

perpetual mobilisation and armed conflict were a major drag on the economy, stifling its potential for growth.[81]

A more subtle cost was the jealousy of centralizing rulers towards non-state institutions. A good example of this is the rotating credit society. Examining the relatively well-documented case of the kingdom of Dahomey, Law concludes that the various forms of private cooperation that existed among the neighbouring Yoruba societies, including the *esusu* or rotating credit society, appear to have been absent in Dahomey. He comments:

> This stunting of private cooperative institutions seems to be correlated with the strength of the monarchy, and may indeed be the result of conscious policy. The rationale was, indeed, perceived by at least one contemporary observer of the eighteenth century, who noted in a different context that the kings of Dahomey wished "that there may be no . . . associations, that might be injurious to the king's unlimited power. Hence, each individual is detached, and unconnected."[82]

I would add that there seems to be no evidence of rotating credit societies existing in the nineteenth century in the other kingdom often seen as a paradigm example of a strongly centralised West African monarchy, Asante.[83]

As to foreign non-state institutions, some large states accepted foreign traders traversing their territories. Smaller polities had little option but to do so, as Terray pointed out for Gyaman, a state which spanned

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African Economic and Social History: Studies in Memory of Marion Johnson (Madison, 1990), 119-32.

[81]Bolanle Awe, 'Militarism and economic development in nineteenth century Yoruba country: the Ibadan example', *Journal of African History* 14 (1973), 65-78. For a more general case-study of the interactions of war, state and economy see Richard Roberts, *Warriors, Merchants, and Slaves: The State and Economy in the Middle Niger Valley, 1700-1914* (Stanford, 1987).

[82]Law, 'Finance and credit in pre-colonial Dahomey', 34. Law=s quotation is from Robert Norris, *Memoirs of the Reign of Bossa Ahadee, King of Dahomy* (London, 1789), 89.

part of what is now the Ghana - Ivory Coast border. Had its ruling military aristocracy expelled or imposed heavy taxation on the Dioula trading diaspora, its members could have responded simply by re-routing the transit trade to avoid Gyaman.[84] But the Asante monarchs, presiding over one of the largest domestic economies in the region and sitting astride a major trade route linking savanna, forest and coast, made the Hausa and Dioula traders stop at Salaga or, later, at other entrepots just north of Asante proper. This policy may have hurt the Asantes as consumers; though it secured Asante merchants a monopoly of the transit trade, as well as of the local handling of Asante exports and imports themselves.[85]

The two-edged sword of Leviathan in West Africa: Smithian growth *and* economic rent

This final substantive section of the paper is intended to draw together the benefits and costs of states for markets, and for market-based economic growth, by highlighting a crucial fact: that in pre-colonial West Africa, Smithian growth and economic rent[86] to a large extent went together, albeit (arguably) in a way that was ultimately self-limiting.

In the list of public goods given earlier, only the last specifically concerned the supply of factor inputs. In the setting of land-abundant, capital-scarce and labour-scarce economies without technologies that offered significant economies of scale in production, the main means available to expand output at micro level was the acquisition of additional labour inputs at below the reservation price of labour. This meant

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[83]Austin, *Labour, Land and Capital in Ghana*.
[84]Emmanuel Terray, 'Long-distance exchange and the formation of the state: the case of the Abron kingdom of Gyaman', *Economy and Society* 3 (1974), 315-45.
[85]Wilks, *Asante in the Nineteenth Century*.
[86]Economic rent: defined here as the surplus of income over opportunity cost. That is, the difference between the return actually obtained for the supply of a resource and the minimum return necessary to elicit the supply of the resource in its current use.

coercion of labour, whether through *corvée*, debt bondage and of course slavery.[87] It must be emphasised that slavery and pawning were found in many (not all)[88] stateless societies in West Africa. But states, as I have argued, had a comparative advantage in the protection of their own subjects against external predation (and a strong incentive to limit their own 'internal' predation, to avoid provoking rebellion and state self-destruction).[89] Their possession of (generally) both larger armies and greater spatial reach gave them comparative advantages also in the capture and retention of slaves. Terray has also suggested - and a casual review of the comparative evidence supports him - that the labour of the children of slaves was more fully available to masters in stronger states (such as Asante and Sokoto) than in weaker ones (such as Gyaman).[90]

Admittedly, as noted above, a high proportion of slaves were sold on by their immediate captors, not least because they were more valuable where they were too far from home to encourage escape. But even in the purchase of slaves captured by others (themselves states or otherwise), states had a further advantage: they could use their military power to seize land that was more valuable than most, because it was located near a market or across a trade route, or on top of gold ore. I argue this elsewhere for Asante;[91] it is highly unlikely that this is a unique case when

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[87]I detail this for Asante in Austin, *Labour, Land and Capital in Ghana*, and sketch it at Sub-Saharan level in Austin, 'The labour-intensive path to industrialization'.
[88]It seems that slavery, at least, was absent in the case studied by Searing ('"No kings, no lords, no slaves"') .
[89]The latter happened in an exceptional eighteenth-century case, where the rulers of Akwamu, a small state on the Gold Coast did indeed raid their own subjects for slaves: leading directly to their downfall and sale into slavery in the Caribbean. See Ray A. Kea, '"When I die, I shall return to my own land": an "Amina" slave rebellion in the Danish West Indies, 1733-1734' in John Hunwick and Nancy Lawler (eds), *The Cloth of Many Colored Silks: Papers on History and Society Ghanaian and Islamic in Honor of Ivor Wilks* (Evanston, 1996), 159-93.
[90]Emmanuel Terray, 'La captivité dans le royaume Abron du Gyaman', in Claude Meillassoux (ed.), *L'Esclavage en Afrique précoloniale* (Paris, 1975), 389-453. The context is a well-known feature of slavery in Africa as distinct from in the Americas: that slave status was not fully hereditary.
[91]Austin, *Labour, Land and Capital in Ghana*.

it comes to the appropriation of locational and natural resource rents. The enjoyment of such rents was not confined to the rulers. In nineteenth-century Asante, virtually every 'free' subject benefited[92] from the local monopoly, or near-monopoly, of gold and kola nut supplies which Asante military power had obtained. Using their income from gold and kola, Asante commoner households could buy captives from the savanna and put them to work in expanding their own economic activities.[93]

So the argument here is that states had a comparative advantage as suppliers of coerced labour; and indeed in the acquisition of the more valuable natural resources. The growth of the Sokoto and Asante economies, to take the two most fully documented and perhaps largest examples, was achieved by a synthesis of market exchange and coercion. The same was to be apply, on a larger scale, in the colonial era: to some extent in the cash-crop 'revolution' in West Africa and, especially, in the mining-based expansion of the South African economy.[94] Jones' celebrated dictum that 'Economic history may be thought of as a struggle between a propensity for growth and one for rent-seeking'[95] misses the point for precolonial West Africa (and, I would argue, for Sub-Saharan Africa well into the twentieth century).

Why, then, did West African states not establish an unmistakable superiority in the prosperity of their subjects, in revealed (if not measurable) economic growth, by the time of colonization? Part of the answer is that state formation was difficult, and both Asante (founded c.1700) and Sokoto (founded 1804-8) needed more time that the British denied them. But there is also a more general answer, I suggest: that this kind of growth was self-limiting, because of the uniquely high external costs involved where labour markets are based on slavery rather than

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[92]Austin, '"No elders were present"'.
[93]Detailed in Austin, *Labour, Land and Capital in Ghana*.
[94]Austin, 'The labour-intensive path to industrialization'.
[95]Jones, *Growth Recurring*, 1.

hired labour. The wars fought by slave-owning slaves were not usually specifically motivated by the prospect of capturing slaves, but the economic value of slaves made such wars pay and thus helped to sustain militarist regimes.[96] The 'collateral damage' of wars and slave raiding was felt most forcefully in the hinterland of major states, where stateless societies or weaker states repeatedly suffered depletion of resources and disruption of economic life. This must have seriously limited the export market for Hausa cloth, for example. Slave-based economies surely had most growth potential where the capturing was done outside - preferably on a different continent.

Conclusions

This paper has used the pre-colonial nineteenth-century in West Africa as a case-study through which to explore the possible contributions of states to Smithian growth in pre-colonial Africa more generally. I have emphasised that markets did not depend on states to exist, or even to flourish. Yet, while avoiding what Lonsdale called the "evolutionist assumption that it is in some sense 'better' to live in states",[97] I have argued that some of the states under review contributed a range of public goods which assisted market-based growth. However, the instrument of the market was to a large extent combined - inextricably - with coercion. This was, I would argue, the most feasible form of economic growth available at the time. But it is suggested that its double-edged character, delivering both Smithian growth and Ricardian (or, more precisely,

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[96]As C. C. Wrigley noted in *African Affairs* 70 (1971), 393-404. Compare also Kwame Arhin, 'The financing of the Ashanti expansion (1700-1820)', *Africa* 37 (1967), 283-91, and Arhin, 'The Asante praise poems: the ideology of patrimonialism', *Paideuma* 32 (1986), 163-97.

[97]Lonsdale, 'States and social processes in Africa', 139.

Nieboer)[98] rents, made it self-limiting. This helps to account for the fact that, by the time the Europeans scrambled, the economies presided over by states had not proved themselves unambiguously wealthier than those inhabited by stateless societies.

[98] Cf. H. J. Nieboer, *Slavery as an Industrial System* (The Hague, 1900; revd edn 1910).