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Africa, Europe, and the Origins of Uneven Development: The Role of Slavery

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This chapter describes the economic foundations of the Atlantic slave trade and the role of trade and slavery in generating European and American economic growth and their contemporary prosperity. Conversely, the devastating effects of the slave trade on Africa, and its continuing effects, are also discussed. It is suggested that the linkage between historical and contemporary patterns of inequality provides support for the reparations movement.

The world is sharply divided between rich and poor nations. Among the richest are the nations of Europe and the nations formed by European occupation, settlement, and subsequent political domination. The latter group includes the United States, Canada, Australia, and New Zealand. Among the poorest are many of the nations of the African continent.

The gap is staggering. For example, Britain's per-capita income in 1999 exceeded $20,000 while Ghana, a former British colony, had a per-capita income of less than $2,000. Belgium's per-capita income exceeded $25,000 while the Congo, a former Belgian colony, had a per-capita income less than $1,000. Another former European colony, Sierra Leone, had a per-capita income of a mere $448 (United Nations Development Program 2001, 141–144).

How did these vast differences in standards of living come about? Are they the result of historical accident? Are they the result of European cultural and intellectual superiority? Can they be explained by differences in geography and natural resources?

The answer is, none of the above. The gap is due primarily to the long-term effects of the Atlantic slave trade that transported enslaved Africans to the New World between the sixteenth and nineteenth centuries. Enslaved Africans' labor on plantations in the New World fueled the rise of European industry. Specifically, the first industrial power, Britain, can trace much of its early manufacturing strength to the slave trade and to the slave plantation system. Colonial North America's economy was anchored on slave-grown sugar as the critical input to the production of molasses and rum for domestic sale and especially for export. The beginnings of French industrialization can also be found in the slavery trade. It is clear that African economic backwardness finds its beginnings there as well.

This perspective is far from uniquely my own. The fullest presentation of this vision of how the world's wealth got to be so unequally divided is in the work of three intellectuals from the West Indies whom I refer to as the Caribbean school of scholarship: Eric Williams, C. L. R. James, and Walter Rodney. Williams, the first postindependence prime minister of Trinidad and Tobago, wrote a classic study, *Capitalism and Slavery*, which detailed the specific ways in which British

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economic development was spurred by the slavery trade, culminating in the consolidation of the British industrial revolution by the end of the eighteenth century. C. L. R. James's *Black Jacobins,* still the definitive study of the Haitian slave revolution, demonstrates specifically how French industry grew from its strong linkages to the slavery trade. And Rodney's book *How Europe Underdeveloped Africa* (1972), demonstrates how African economic development was stunted by the impact of the slave trade on the continent.

This essay summarizes and extends several of the arguments advanced in those classic works. It describes the economic motives that precipitated the initial establishment, consolidation, and expansion of the Atlantic slave trade. The stimulus to European manufacturing industries resulting from the slave trade and from the expansion of plantation slavery is also explored. The devastating effects of the slave trade on stability and economic development in Africa are also discussed, providing a basis for understanding the current disparities in income levels between African countries and their aforementioned Western counterparts.

THE MERCANTILIST FOUNDATIONS OF THE ATLANTIC SLAVE TRADE

To understand the motives behind the Europeans' participation in the enslavement of Africans and their use of enslaved Africans as plantation laborers in the Americas, one must understand the ideology of mercantilism, which informed the thinking of the European elites who designed national policies for their respective countries throughout most of the years of the Atlantic slave trade.

Merchantilist intellectuals identified two goals for national policy: military power and economic wealth. Economic wealth was associated with the expansion of manufacturing activities and the growth of exports of manufactured goods. Mercantilist thinkers generally embraced the idea that if their nation was to improve its position in either of these two areas—that is, become stronger militarily or accumulate greater national wealth—other countries would have to become weaker or poorer. In short, mercantilists saw the international arena as one that operated under the principle of what political scientists call a *zero-sum game,* a scenario where the value of any gains to the winner are offset exactly by a loss of equal value to the loser.

Thus, mercantilism saw all nations as fundamentally in conflict with one another. Not only was military power linked to the goal of dominance on the high seas via naval warfare, but economic strength was linked to the goal of dominating international trade via commercial warfare. Britain was the first nation to achieve sustained industrialization precisely because it was the most effective at waging both types of mercantilist wars. Economic historian Joseph Inikori put it precisely:

> In the end Britain won [the cut-throat military struggle among Western European nations], cornered the lion's share of the opportunities, and developed the industries and financial institutions to launch the first capitalist economy in the world, thanks to African slaves whose forced specialisation in the production of commodities for Atlantic commerce was the foundation of the Atlantic system. (28)

Slavery played a central role in a strategy based on mercantilist goals because of the importance attributed to the development of colonial possessions. Colonies were valued because they were a potential source of mineral wealth and raw materials that could not be grown at home, which could be transformed into final, manufactured goods for export. Thus, over the course of the slave trade, the Americas became a major source of gold and silver as well as raw sugar, tobacco, and cotton. Colonies could also function as guaranteed markets for the export products of the home country. Furthermore, imperial rule could control the pace of industrialization in the colonies to ensure that they themselves did not become competitors in producing manufactured goods.

For colonies to perform these vital functions, they required a labor force. The indigenous populations were inadequate in numbers and kind. The European invasion of the Americas had decimated the Native Americans; particularly devastating were the actions of the Spanish "conquistadors," who wrought destruction by war and disease. The natives also knew the terrain and could often escape forced labor by fleeing further inland from the plantation and mining sites.

The European sources of labor were inadequate in numbers for two reasons. First, the price of voluntary migrants was too high to be cost-effective in producing the labor force "needed" to develop the Americas as a colonial breadbasket. Second, although some Europeans were kidnapped and put into the equivalent status of slave laborers in the Americas, to do this on an extensive basis would have depleted the home labor force in European countries. That in turn would have meant a rising price of labor in the home countries, making the cost of domestically produced goods more expensive and less competitive on the international market. Certainly mass emigration, forced or otherwise, was inconsistent with the populationist instincts widely shared by mercantilist thinkers.

Forced labor of Africa's peoples afforded the solution for the mercantilists. The reason was not that Africans were better suited to be slave laborers or were better adapted to the climate of the Caribbean plantations; the reason was that the process of slavery made Africans available in large numbers at prices that made plantation agriculture in the Americas profitable. Oliver Cox (1970, 332) observed, "Sometimes, probably because of its very obviousness, it is not realized that the slave trade was simply a way of recruiting labour for the purpose of exploiting the great natural resource of America." It was brutal recruitment and forced recruitment, but recruitment nonetheless. Williams (1994, 9), his words dripping with irony, noted that "the [native] reservoir was limited, the African inexhaustible. Negroes therefore were stolen in Africa to work the lands stolen from the Indians in America."

Some Africans were clearly implicated in the trade in slaves, serving as merchants of the trade on the African coast or as raiders who procured slaves by capturing others in the interior of the continent. But the demand that prompted the emergence of a complex supply network came from the mercantilist-inspired vision of the needs of colonial development in the Americas. Moreover, all Africans were confronted with a prisoner's dilemma after the trade got underway: either play a role in the network of slavers or be confronted with the much-greater risk of being enslaved oneself.

According to Eric Williams, the enslavement of black people was primarily motivated by economic factors—most notably, the practical requirements dictated by European greed for profits from the colonial system. Eric Williams was also correct in his contention that the enslavement of Africans produced antiblack racism. The enslavement of Africans in the interval from the sixteenth through the nineteenth centuries was the incubator for the emergence of antiblack racism in the New World. The central attributes of this type of racism were the beliefs in the intellectual, moral, and cultural inferiority of black people. Those beliefs have obviously outlived slavery.

Britain's success in playing the mercantilist game was phenomenal. For instance, Britain managed to run sustained trade surpluses with Portugal and Spain that had to be financed by bullion obtained by mineral wealth that was procured by slave labor in the mines of colonial America. A. W. Birnie (1935, 175, 180) estimates that in the early eighteenth century the Portuguese trade alone brought into London fifty thousand pounds worth of bullion from the mines of Brazil each week. Thus, the mineral wealth of Brazil was transferred to Britain, although Brazil was not a British colony. The influx of bullion helped keep interest rates low in Britain, thus preserving cheap credit conditions for manufacturers.

The triangular trade and the slave plantation system were critical for the buildup of British manufactures and the British acquisition of raw materials. Britain's major industrial cities—Liverpool, Manchester, Birmingham, and Bristol—all experienced rapid growth due to the direct or indirect stimulus of the slave trade. Liverpool was the home of the most extensive range of firms engaged in the slave trade. They obtained firearms from Birmingham and cotton textiles from Manchester so that they could be exchanged for slaves on the west African coast.

Of course, Manchester also imported slave-grown raw cotton to produce the textile output, thus receiving what Eric Williams called a "double stimulus." Bristol was a major naval and industrial shipyard, with vessels used in the slave trade made locally. The West Indian markets were an important outlet for English ironmongers. They produced the tools utilized in plantation agriculture. Moreover, they produced the chains used to imprison enslaved Africans at the transport sites on the African coast and during the middle passage. Furniture and pottery makers also benefited.

The growth in the importance of Africa and the Americas as receiving sites for British-manufactured exports, particularly manufactured goods other than textiles, is revealed clearly in the table reproduced from a paper by Joseph Inikori (1987) based on Ralph Davis's research (1969). By the 1770s the major export recipients for English manufactures, apart from woolen goods or textiles, were Africa and the Americas. By then Africa and the Americas ranked second to southern Europe as purchasing sites for English textiles. Table 2.1 clearly demonstrates the dramatic growth in the relative importance of Africa and the Americas as importers of English goods.

The economic gains resulting from this slavery-based economic expansion were massive. Even a conservative estimate of British profits from the slave trade in the interval 1784–1786 (£318,000) as a share of gross investment expenditures was three times as great as the share of profits from the auto industry in gross investment expenditures in the United States in the 1980s. The ratio of profits from commodities made for export to the Americas and Africa to gross investment expenditures in Britain, again in 1784–1786, was 0.12, whereas the ratio of *all* manufacturing profits to gross investment in the United States two hundred years later was 0.10 (Darity 1990).

The financial sector also received a major boost from the slave trade. In particular, the British insurance industry developed rapidly by providing protection against losses for owners of slave-trading vessels. Williams (1994, 98–105) identifies the insurer Lloyds of London and the Barclays Bank as major British financial institutions that grew from the springboard of their direct connections to the slave trade. The same was true of banking firms based in Glasgow, Scotland.

C. L. R. James's work suggests that the positive impact of the slavery trade on France's economic development should not be underestimated. He identifies the growth of the cities of Nantes and Bordeaux as specifically tied to the stimulus they received from their merchants' involvement in the slave trade. Wine and brandy in Bordeaux utilized slave-grown sugars. James (1963, 48) reports that by the mid-eighteenth century there were "16 factories [refining] 10,000 tons of raw sugar from San Domingo [modern-day Haiti] every year, using nearly 4,000 tons of charcoal." Hence, there was a backward linkage and stimulus for the coal-mining industry as well. Similar effects can be identified for Holland and even Germany, although for the latter indirectly via trade linkages.

Table 2.1 Regional Distribution of English-Manufactured Exports, 1699–1774: Three-Year Averages (in thousands £)

	Rest of Europe		*Southern Europe*		*Americas and Africa*	
	WG	*OG*	*WG*	*OG*	*WG*	*OG*
1699–1701	1,544	383	1,201	73	185	290
1722–1724	986	141	1,606	226	30	337
1752–1754	1,326	257	1,954	390	374	1,197
1772–1774	963	650	1,667	337	1,148	2,533

Source: Inikori (1987).
Note: WG = woolen goods; OG = other goods.

THE ATLANTIC SLAVE TRADE: THE FOUNDATIONS OF ARRESTED DEVELOPMENT IN AFRICA

While the slave trade clearly enriched European countries—whether those actively involved in or those indirectly linked to this trade—the question still remains: What were the consequences of the Atlantic slave trade for Africa? Africa experienced an inversion of the economic benefits experienced by Europe from the slave trade. The vast, forced out-migration led to a comparative depopulation of the continent. The labor force for the development of a manufacturing sector was not present, had there even been the financial capacity to build such a sector. Furthermore, depopulation undermined the presence of sufficient density of population to produce the market demand that would have provided the necessary stimulus for the growth of industry.

Capture of slaves by raids and by warfare on communities led to the destruction of communities and to the disruption and destabilization of African civilization. To conduct the captures, the slave raiders would obtain firearms, trading slaves to get guns. Hence, what Inikori calls a slave–gun cycle got underway: slaves were exchanged to get firearms that were used to procure more slaves who were then traded for more firearms and so on. Imports of firearms, however, were certainly not productive inputs in other types of commercial activities.

The major commercial activity on the continent in the eighteenth century, apart from agricultural production, was the export of Africans into slavery. This activity did not have the rich web of backward and forward linkages that promoted the development of a wide array of industrial activities in Europe. While some individual traders grew quite wealthy, for the continent as a whole the slave trade was an economic disaster. Indeed, the slave export industry functioned as an enclave sector largely disconnected from other economic activities, apart from draining human resources from them.

CONCLUSION

As suggested in the introduction, the vast economic disparities we observe to this day between the European and the African orbit of nations is not accidental, nor is it attributable to European cognitive superiority. These disparities are also not the result of differences in climate or in the endowments of natural resources. Pure and simple, current inequalities were forged in the crucible of the slave trade, a key instrument of mercantilist policy in the period of the rise and the operation of the Atlantic economy. Profits generated by the slave trade and by plantation slavery provided the fuel for a continuing and self-perpetuating pattern of uneven development that will, in the absence of radical interventions, victimize people of African descent throughout the twenty-first century. It is this understanding that provides momentum for the reparations movement discussed in other chapters.

NOTE

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