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The South African Economic History *Annual*

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Highlights:

Business History in Africa

South Africa's first stock exchanges

How to publish in Economics journals

Gareth Austin: We're making progress

EDITORIAL

There has never been a better time to be African, nor has there been a better time to do research on African economic history. In October 2014, the African Economic History Network meetings held at the London School of Economics and Political Science attracted more than 70 attendees. In November, more than 30 African students attended an ERSA training workshop on South African economic history in Pretoria. In December, the *Economic History Review* published a special issue of papers on African Economic History. The title of the editorial introduction, 'The Renaissance of African Economic History', summed up the mood.

All three events are evidence of renewed enthusiasm for African economic history research. Readers of this Annual will not be surprised: we predicted as much in an article in our December 2013 issue. The interest shown by students from both History and Economics has been particularly pleasing. Economists are beginning to realise that economic outcomes such as income, education and unemployment are astonishingly persistent, and that to effect change in the present we must understand the past. Historians are beginning to realise that numbers can be powerful tools of persuasion. I hope that the two disciplines will continue to learn each other's language and begin to write a new chapter about Africa's economic past.



Johan Fourie



Cover photo by Johan Fourie.

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Special issue on economics of apartheid showcases new research

A special issue of *Economic History of Developing Regions* was published in December 2014 on the Economics of apartheid. The following is a short excerpt from the introduction by Martine Mariotti and Johan Fourie.

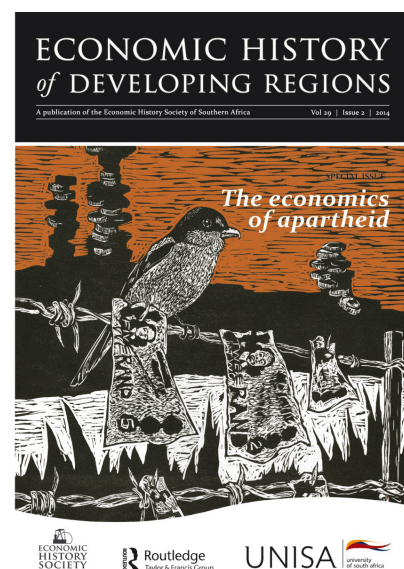
It should surprise no one that the weight of our history hampers our attempts to create a prosperous society. Poverty levels remain high for black South Africans, their educational attainment and health outcomes continue to lag behind those of white South Africans, and unemployment, which was already increasing during the 1970s and 1980s, shows no signs of declining.

While economists and policy-makers are rightly interested in addressing these consequences of apartheid that affect South Africa today, the task seems to have fallen to economic historians to discover precisely how policy decisions taken during the apartheid era determine the country's economic growth in the twenty-first century.

The good news is that we are getting better at understanding how the past affects us and recognizing analogies

between past and present. With the tools of econometrics, South African economic history studies are adding a valuable quantitative analysis to the rich qualitative analysis that is growing larger each year. The digitization of data previously buried in archives and libraries is beginning to make the apartheid era more accessible. Studies of apartheid can contribute to important themes in the economic history literature, such as the longevity of institutions and path dependence. The era provides natural experiments with which we can analyse human behaviour in response to distorted incentives. The benefit of such experiments is that the inferences drawn are causal. And because South Africa's twentieth-century experience is a microcosm of global development, with the incomes of rich and poor diverging, the apartheid and post-apartheid periods serve as an analogy for the process of globalization and the potential effects of greater integration.

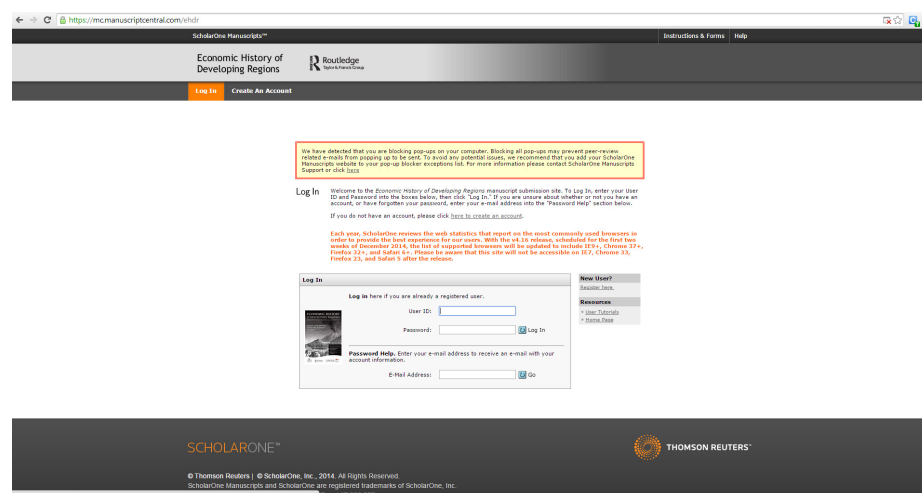
This special issue brings together the work of economists and historians to showcase recent developments in the study of the economic history of apartheid.



Award for paper

Anna Carreras-Marín, Marc Badia-Miró and José Peres Cajías, authors of 'Intraregional Trade in South America, 1912-1950: The Cases of Argentina, Bolivia, Brazil, Chile and Peru', won the 2014 Spanish Economic History Association prize for the best paper by an Association member in an international journal. The paper was published in Volume 28, Issue 2 (2013) of *Economic History of Developing Regions*. Carreras-Marín and Badia-Miró are affiliated to the Universitat de Barcelona and Cajías to the Universidad Católica Boliviana 'San Pablo'.

Submit your next *EHDR* paper at ManuscriptCentral



The Society's journal, *Economic History of Developing Regions*, have now opened an online submission system for prospective papers. Authors can now submit their papers through ManuscriptCentral. The editors, Leigh Gardner and Johan Fourie, will then request at least three referees to comment.

The system was introduced in May and has received a very positive response. The system also generates useful intelligence on the quantity of submissions and speed of feedback.



How to publish Econ History in Economics journals

Waldo Krugell, North-West University

These bits of advice are from an ERSA Economic History workshop at which James Fenske of Oxford University presented some ideas about how to publish better economic history work in top Economics journals. His approach was to look at some famous economic history papers in top journals and see what they have in common. Talking about top-5 journals is daunting, but I believe that the principles apply to everyone's efforts. This is advice for aiming just a little bit higher. The errors and omissions in what follows remain my own.

First off, your paper needs a good motivation. You need to explain to people why it matters. Often this means pitching it to a more general audience. The economics journals have a wider readership and you have to convince them that your work is interesting. The four other specialists in your field may know that you are pushing the boundaries, but if you cannot explain it to everyone, most journals will not look at it. This may also mean linking to broader themes and current issues. It will depend on the field, but in the broader field of economics it means that you need to link to themes like institutions and issues of conflict, trust, social capital, human capital externalities and the roots of development.

Related to this is the context. Eco-

nomics journals, specifically the international ones may not care about the case of Africa, or South Africa. If you are presenting some evidence on the case of South Africa you cannot just wave your hands and write broadly about South Africa being different and interesting. The way in which it is different should be an integral part of the analysis and make for robust and interesting results.

In terms of empirical strategies the good journals are looking for identification of causal effects. Analyses with cross-section regression models are unlikely to get in. This requires empirics like a cool exogenous instrument, regression discontinuity designs, fixed effect controls in panel models, propensity score matching, placebo effects, RCTs, and ever and always loads of robustness checks.

With respect to the data that you use, most of the top papers use broader data sets, but there are examples of very specific country data sets as well.

It is also useful to make a list of things that you do *not* normally find in the papers in the better journals:

- Small samples – if, for nothing else, you need lots of data to use the techniques mentioned above.
- Qualitative data – better journals want robust results that generalise to answer the big questions and qualitative data are unlikely to help with that.
- Lots of new data – producing a new data set can be a big part of the work, but the better journals do not want only a description of new data – you

also need the level of analysis mentioned above.

- Documentation of facts and trends. It may be the first time that someone measures whatever, but they want analysis.

- Determinants of ... The top journals want hypotheses and an identification strategy.

Finally, the key to doing better work is to get more feedback. People should know about you and your work. You do not want them to read it the first time in their role as third reviewer! This means:

- Going to big conferences. These are good for meeting people, but you have to go with a plan: check out the programme, send your paper to the people that you want to talk to beforehand.
- Going to small conferences and workshops. Those where you have a 45 minute slot instead of a 15 minute slot, where you can meet everyone and actually get some feedback.
- Organise your own. If you do not have the money to travel, organise your own seminar or workshop, invite locals in the field – create opportunities to talk about your work.
- Make sure your work is out there to read. That means submit it to a working paper series, or these days, just getting the draft online with Google Scholar or with the RePEc archive.
- You can even try some social media promotion – write a short overview for Vox.EU, or you get a retweet by Chris Blattman! Networking is key.

Western Empires criticises 'criminal' US imperialism

Johan Fourie, Stellenbosch University

I am not an economist, says emeritus professor Sampie Terreblanche as we sit underneath a large wild fig tree in the garden of his Stellenbosch home. "I am a political economist. In my opinion there shouldn't be a subject like Economics."

This is a surprise, coming from one of South Africa's most renowned economists. Prof Terreblanche, 81, has been awarded two honorary doctorates, from the University of the Free State and the University of Pretoria, and has published 10 books, mostly on South Africa's economic history. But his latest book, *Western Empires, Christianity, and the Inequalities between the West and the Rest, 1500-2010*, is the reason why we are here. "It has taken me eight years to write it. After the success of my previous book, *A history of inequality in South Africa*, I decided to write a book that investigates global inequalities. *Western Empires* wants to expose the massive inequalities between countries with power and those without. One feature of global inequality over the last few decades is that inequalities within countries have deepened. Neoliberal capitalism since Reaganism has been bad, immoral and criminal. Democracy in America is a farce. The two decades immediately following the Second World War, the period of social democracy, was the closest the world has ever been to heaven. What we have today is hell."

My list of questions keeps increasing, but I don't get an opportunity to ask any: "Johan, the Western world is happy to pat itself on the back for what it has achieved. But look at the rest of the world; we live in a distorted and deformed world. How did the world become this unequal?"

This is the big question of *Western Empires*. In sixteen chapters of more than 500 pages, Terreblanche maps the rise and fall of Western empires and the way they've interacted – "exploited" – the countries on the pe-



riphery. He starts his analysis with the Spanish empire, but reserves his most piercing criticism for the American empire of the twentieth century. "I butcher America in Chapter 15" as is clear from the chapter's title: The multiple American post-colonial empires that inconspicuously disrupted, exploited and drained the rest of the world after the Second World War.

"The United States was an empire early on. Remember, the original thirteen colonies constituted only 6% of the current geographic area of the United States. The rest of the territories were purchased or stolen. The US exploited Latin America for a long time, but after the Second World War they looked further afield. To create a more equal playing field, they opposed European and British imperialism."

"Colonies were decolonised and became independent countries, but they were too poor to compete on an equal footing with the Western world. The financial and multilateral corporations of America plundered these countries. The power imbalance meant that the inequalities between the West and the rest continued."

Many economists will not agree with prof Terreblanche's pessimism. The development of China and India over the last three decades is largely the result of opening their markets to international trade and investment. And although these countries have seen in-

equality increase, poverty has decline substantially. The World Bank estimates that close to 500 million people have escaped poverty in just 30 years.

For prof Terreblanche, though, inequality is a more severe issue. "China is America's soft underbelly. The American empire is doomed to fail. All empires have fallen after they spent their savings in the colonies. America is busy doing the same."

I finally manage a question: Is there hope that the future will be less unequal? "It is highly unlikely. Piketty argues for a wealth tax. I did that in the 1990s before the Truth and Reconciliation Commission. Now it is too late."

"America will continue to be the fire engine of the world, obviously to their own benefit. As soon as a country burns, they will arrive with their superior military technology and try to extinguish the fires. Look at what they did in the Middle East and Afghanistan. They will also have to be an ambulance. Look at Ebola in West Africa."

"Unbridled capitalism is not the answer. Even people like Johann Rupert are beginning to realise this. The private sector could not have allowed things to fall apart like this! No one is holding the elite accountable, not in America and not in South Africa. We have walked straight up a structural cul-de-sac which we won't be able to escape."

'History is crucial if one is to be a good economist'



Abel Gwaindepi, Rhodes University

An elementary appreciation of history leaves one with a generic understanding about the past. For Africa and other developing regions, we often hear that colonisation was bad; slavery was inhuman etc. For South Africa in particular, one cannot overemphasise how apartheid will persistently be part of the South African economic development story. These important but non-nuanced narratives often give a sombre picture as noted by van Zanden (2012), “we seem to be doomed by our past because we cannot fundamentally change the institutions we inherited” – our unfortunate fate. The advancement of Economic History as a field has begun to untangle various myths and ‘truths’ and this is becoming possible with availability of new data sets. The 2014 South African Economic History training workshop, held in Pretoria, was a milestone with regards to broadening research ideas in Economic History.

What was remarkable about the training workshop was that it brought not only graduate students (Honours up to PhDs) from various South Afri-

can universities but also invited leading scholars in the field (such as Jan Luiten van Zanden from Utrecht University (pictured), Martine Mariotti from Australian National University, Katherine Eriksson from Calpoly and Kris Inwood from Guelph University).

Bringing economic history and economics students together proved to be ideal because the debates showed that these two disciplines complement each other. Personally, coming from an economics background, I managed to deduce that understanding economic history is crucial if one is to be a good economist. The insightful contributions from economic history graduate students testified to the notion that more collaborative work and interdisciplinary workshops are needed in the future.

One example clearly illustrates the need to invest in learning research techniques which may be ‘foreign’ to one’s field. For instance, those from economics background found it easier to accept, as valid, the hypothesis that infant nutrition positively affects adult mortality (whether someone passes the age 60 or not). On the contrary there was visible discontentment from the history cohort as they argued that surely other factors/variables should matter in determining if someone is

to live beyond the age of 60. Even with the explanation that it is statistically possible to control for other variables did not help much because it requires a decent appreciation of statistics and econometrics for one to understand how it works.

Evidently, economists were also able to see that they have much to learn from historians who proved to be deeply endowed with historical knowledge of economic development – especially on subtle political economy issues. Working with historians will only make economists develop even better hypotheses which can be tested based on economic theories. Accepting each other as equal research partners (economic historians and economists) is very important in signalling willingness to cooperate. This can be the most tenable approach of bringing cohesion between the two disciplines.

South African economic history remains synonymous with the term ‘apartheid’. But the analysis needs to go back to earlier centuries and much work remains to be done. Data sets are becoming more accessible through various digitalization processes. If we as Africans become more active in understanding our past, the future may be easier to anticipate.

Reinvestigating Southern African stock markets in the late nineteenth century

Mariusz Lukasiewicz, Graduate Institute of International and Development Studies, Geneva

Contrary to popular perception, in the last five years African stock exchanges have proved to be some of the best performing and lucrative on the planet. Although their relative success has only recently been acknowledged as traders look for alternatives to the dominant forces of Wall Street and Paternoster Square, their early history is still largely unexplored and scarcely known (Ntim 2012). Isolated studies have focused on the major development of African stock exchanges in the post-independence era (See Moss 2003), but the history of African stock exchanges during the first age of capital globalisation, between 1870 and WWI, remains largely unknown and underappreciated by scholars of African economic history.

The lack of literature on the history of African stock exchanges is however contrasted by the growing amount of innovative research of older and more capitalised stock exchanges. Michie (2012, 2007, 1999, 1987), Davis (2006, 1998) and Neal (2006, 2000, 1998) in particular, have in recent years reviewed, revamped and re-established the study of stock exchanges as an uniform component in both economic and financial history. Their isolated and comparative studies of the London, New York and Paris stock exchanges remain at the forefront of an expanding academic frontier.

But why study the history of stock exchanges? What makes stock exchanges unique institutions of the global economy is that they are both regulators and regulated entities of the same capital market (Michie 2012). Stock exchanges create physical and increasingly, virtual markets, for the buying and selling of various public and private securities offerings. Though it has been argued that a dy-

namic stock market is the hallmark of a successful capitalist economy, recent research warns that its uncontrolled operation has the potential to inflict serious damage (Hermes and Lensink 2013). More importantly for economic historians, the recent and continuing financial crisis has given a fresh impetus to research on stock exchanges, their financial development, regulation and social microstructures.

The study of stock exchanges in Africa has particular implications for the expansion of financial capitalism. Although Africa has a long history of trade in securities (Rosenthal 1968), the development of stock exchanges on the continent coincided with the first age of financial globalisation and the European colonisation of the continent in the 19th century. British colonial influence ensured that initially shareholding, and later, stock trading became an integral aspect of settler economies. By the end of the 19th century Egypt, the Cape Colony, Natal and Rhodesia had well-developed stock markets and complementary financial infrastructure.

Notwithstanding that modern liberal 'revisionist' studies of imperialism have reassessed the role of chartered companies, banks and the insurance sector in the metropolitan core and imperial periphery (See Cain and Hopkins 2002, Davis and Huttenback 1986, Platt 1968, Robinson et al. 1966) no formal study has yet used a specific stock exchange to assess the economic, political and social relationships between metropolitan and peripheral financial capital in Africa. This gap in literature exists despite the fact that all of the stock exchanges established in the 19th century were formed either in Europe or by Europeans (and their direct descendants) in other parts of the world (Michie 1999), such as in

the USA, Canada, Australia, New Zealand, Egypt and South Africa. Even if the rise of many significant stock exchanges around the world in the middle and late 19th century can be contributed to the post-1870 restrained level of government borrowing, the low levels of public and private savings in emerging economies, and the relatively low capitalisation of banks (Michie 2007), all of the exchanges were established for very different reasons and faced very different challenges.

There are currently 24 African exchanges spanning the continent of 54 different countries. Out of all the operational exchanges only five (in South Africa, Nigeria, Egypt, Mauritius and Morocco) are registered with the World Federation of Exchanges (WFE). The oldest existing exchange in Africa is the Alexandria Stock Exchange. Founded in 1883, shortly after the Anglo-French invasion of Alexandria, it was loosely fused with the Cairo exchange in 1906 to form the Egyptian Exchange. Despite the strategic political function of the Alexandria Stock Exchange, the greatest amount of capital directed at underdeveloped financial markets in Africa made its way much further South (Frankel 1938). It was in Southern Africa where just about all stock exchanges on the African continent were situated. By the outbreak of the South African War in 1899 there were stock exchanges in Bulawayo, Cape Town, Gwelo (Gweru), Kimberley, Port Elisabeth, Pietermaritzburg, Pretoria, Umtali (Mature) and Salisbury (Harare).

Based on history, performance and international outreach, the stock exchange that stands out above them all is the Johannesburg Stock Exchange (JSE). Despite many other accolades such as being the second oldest ex-



The Barberton Stock Exchange. Source: Harris, Robert. (1888), 'South Africa illustrated'.

isting stock exchange on the African continent (and the oldest existing in Sub-Saharan Africa), its history, and especially its beginning, is largely unknown. Just as its geographical location, a prime spot in the wealthiest suburb of the richest city, in Africa's second-largest economy, as an institution, the history of the Exchange mirrors the exceptionalism that has become synonymous with South Africa's economic growth and industrialisation since the late 19th century. Established in late 1887, the JSE is the financial institution that epitomises South Africa's industrial capital, global economic engagement, colonialism, financial protectionism and structural transformation. From its early beginnings in a canvas tent on the dusty gold fields of Johannesburg to the glance and glory of its current strategic location in Johannesburg's new CBD, Sandton, the JSE has connected South Africa's natural resource industries with international financial

and human capital.

Even if not completely isolated in extensive historical investigations, Southern African stock and securities trade has been critically discussed before. The one monograph that stands out as the best (and unfortunately only) reference book for the early history of capital markets in South Africa, is that of Eric Rosenthal (1968). On 'Change through the Years is still the only comprehensive investigation of South Africa's long and much neglected history of stock dealing. Rosenthal, clearly the only authority on the history of South Africa's stock markets and exchanges, was able to neatly summarize the genesis, development and growth of South Africa's financial services from its early beginning in the Cape Colony right through to the golden booms of the JSE in 1888/9. With the JSE occupying the central role in his investigation, it is clear that he took inspiration from the only JSE-commissioned investiga-

tion into the history of the Exchange (Klein 1968), to develop a chronological and empirical narrative on all formal and informal security markets in Southern Africa.

Despite most of the limited research being devoted to Johannesburg, the JSE was not the first stock exchange in Southern Africa. The Dutch East India Company used its financial wizardry to introduce a number of financial institutions to the Cape Colony in the 18th century and trading securities at informal markets became a common occurrence in the merchant circles of the Cape (Rosenthal 1968). Following the discovery of diamonds in the late 1860s, South Africa became a full participant in the extended phase of global economic growth, trade and most importantly, capital inflows. The first extensive episode of formalised security trading took place in the early 1880s at the Kimberley Royal Stock Exchange and after the more significant discoveries (or rumours) of gold,

at the Barberton Stock Exchange in the South African Republic.

Given that other Southern African exchanges were significantly smaller in capitalisation, the JSE must be seen as a case study in capital market development during the high age of capitalism and the classical gold standard. Just as in Australia and New Zealand, only where a substantial settler community developed, providing a market for local joint-stock companies, were the exchanges able to survive (Michie 2007). Additionally, and yet equally important, Southern African exchanges and especially the JSE, resembled a similar ANZ pattern of security trade given that up to 1899 mining shares continued to dominate the share market since this was the only type of security that could generate a large turnover (Michie 2007).

Ever since John Hobson (1900) characterised financiers as monolithic and conspiratorial, most importantly the gold mining financiers who were supposed to have been responsible for manipulating political events (Kubicek 1979) leading to the outbreak of the South African War, historians have stressed the need to examine their financial activities. Despite much research being devoted to the political and economic activities of the gold mine owners in South Africa (Blainey 1965), the financial operations of the mines as a function of European industrialisation and capital formation has been largely ignored. More surprisingly, and regrettably, the overwhelming involvement of the JSE, its directors and members in the Jameson Raid and the outbreak of the South African War in October

1899 has been ignored by all studies of British imperialism in Africa (Klein 1948).

Needless to say, there is a need to fill the growing gap of historical research on the early days of Southern African stock markets. The institutional history of the JSE and other exchanges in Southern Africa will ultimately show local, regional and global financial connections in the context of new academic trends in institutional history, stock market regulation and institutional microstructures. Additionally, the history of Southern African is likely to revise many old debates on foreign and local sources of South African gold mining finance, directing a new wave of research at the individuals who developed, improved, manipulated and exploited South Africa's young financial institutions.

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invitations to the various workshops, conferences and other activities of the Society. Membership is R500 per year and R150 for students. Visit the Society's website – www.ehssa.org.za – for more information about the application process.



Business history in Africa: the state of the art

Grietjie Verhoef, Department of Accounting, University of Johannesburg

To study modern economic development, the lens offered by Business History is that of the business enterprise or the firm. Business History is about the study of capitalism, commerce, enterprise and entrepreneurship, operating successes and failures, management decision-making and society. From the static perspective of the firm in neo-classical economics where the firm operates on the lowest point of the marginal cost curve, operates under perfect information, technology is exogenous and the firm is simply a price-taker (Amatori & Colli, 2011:11) to the realization that the firm is complex, dynamic and evolves over time has led scholars of Business History to take a closer look at the complexity of the context in which such businesses operate. Changes in the location of technology, the integration of industrial sectors the use of capital, the nature of the consumer market and the cultural and institutional characteristics of societies changed the subject matter of Business History. A new set of factors have come to play a determining role in business development – geographic location, cultural patterns, legal and regulatory systems, capital markets (stock exchange efficiency). Globalization simply widened the scope of the market and business followed. Space opened up, because communication, transport and distribution technologies made transactions across the globe a daily occurrence.

In Business History the spreading of business through the enterprise in this global environment is the intriguing subject matter. There are several compilations surveying the progress and achievements in Business history across the world. Amatori & Jones (2003), Jones & Zeitlin (2008) and Amatori & Colli (2011) offered reviews of the development of the discipline in the different countries of the world

where Business History was taught, researched and generally included in the curricula of business schools. Much of the attention in the first two publications focus on what is the agenda of Business History, how the discipline evolved and in Amatori & Colli (2011) how the discipline is integrally intertwined with the dynamics of international economic development. Lately Scranton & Fridenson (2013) in an inverse of a historiographical analysis, called for the 'Reimagining [of] business history' in order to sketch a 'prospective historiography' (Scranton & Fridenson, 2013:9). This literature has limited mention of Africa, or African Business history. This paper considers the position of African 'Business History' by a three phase approach: first the reflection on Africa in the leading Business History texts; second, a survey of the literature on 'African Business History'; third a vision for the development of the discipline in and on Africa.

'African Business History' in the discipline

At the EBHA conference in Paris, September 2012 a leading business historian noted in a plenary session 'there is no business history of Africa' apart from a few articles by one scholar in the UK. The occupation with the 'firm' and 'big enterprise' has directed the focus since the 1920s at the home of big business and multi-national enterprise and that is the UK, USA and Europe. There is an admission of this when the question is asked: "how to deal with globalization and business, insofar as we move away from neoclassical economics and from presuming that centrality of great firms" (Scranton & Fridenson, 2013:7). Galambos (2003) lamented the 'isolation' of the sub-discipline of Business History (Galambos, 2003:13), but in 1976 A G Hopkins noted that business

history had virtually no following in African Studies, because attention had only turned to African Studies in the post-war era of decolonization after around 1950 (Hopkins, 1976a:29). Despite a growing body of studies on business in Africa, little attention was afforded these developments in the international literature on the development of Business history, its debates and progress. In 2003 the Amatori & Jones Business History around the world makes no mention to 'Africa' – neither in the index, nor in the table of contents. Five years later the Oxford Handbook on Business History (Jones & Zeitlin, 2008) only includes Africa in noting some programmes in business schools in South Africa, Ghana and Nigeria (Jones & Zeitlin, 2008:588, 596) and general references to the risks involved for multinational companies operating in the continent, 'uncertainties of property rights and enforcement of contracts' (p.152), with skepticism about the benefits to the host economies following unprocessed raw material exports (p.157). The Oxford Handbook apologizes for not including a chapter on China (p.5), but mentions only one review article on 'the limited research undertaken as yet on the business history of Africa (p.5).

The marginalization can be explained by the definition of the disciplinary boundaries mapped out by the developments since 1920s, as well as by the history of Africa in the world economy. The USA Harvard Business School dominance in the discipline, with the emphasis on 'case studies' strengthened the focus on the firm and in a similar way did Ashton's famous dictum 'Just as microscopic work on cells may throw new light on the human body, so detailed study of the growth of particular business units may add to knowledge of the industrial system' (Ashton, 1939:ix) in

the UK. Business History was subsequently also studied in its wider context, that is the context of government and business, business in industrial developments and national economic performance (Hannah, 1983) and it is this broader contextualization of business operations where African business history was expected to manifest more prominently. The community of scholars in the first world of the big business enterprise and the Chandlerian emphasis on the firm directed their attention to business operating from and into those markets. Also in the Oxford Handbook of Entrepreneurship (Casson et al 2006) only three references are made to Africa. General comments on barriers to market entrance in Africa (p.254), expected easier access to resources by male than female-led enterprises (p.620) and the prevalence of Hindu entrepreneurs in East Africa (p.605) reflects the limited focus on Africa. The study of globalization and its impact on business was also from the perspective of the first world home economies of the multi-national enterprises (See eg Galambos & Sewell, 1975; Abo, 1994; Jones, 2005; Rugman & Brewer, 2001; Wilkins (eds) 1991). Only in 2010 was a chapter on South African business groups included in the Oxford Handbook of Business Groups (Colpan, Hikino & Lincoln, 2010).

One reason for the gradual shift in focus towards so-called 'emerging markets' in business history might be because of the shift in the direction of overseas foreign direct investment flows since the 1980s from the newly industrializing economies of South East Asia and the BRICs countries (Brazil, Russia, India and China, as well as South Africa and Malaysia) since the 1990s (UNCTAD, 2005a; UNCTAD 2005b; Verhoef, 2011)

In the leading Business journals the focus on the organizational structure and the performance of the enterprise resulted in only a limited number of studies with a specific focus on business enterprise in Africa. A search into the articles published in Business

History, Business History Review and Enterprise and Society Enterprise and Society the last five years, showed that only one article was published in Enterprise and Society. This was on selling in Liberia (Green, 2013), which again was a focus on non-African business operations operating in Africa. A great deal more business history on African was undertaken and published than had been acknowledged by the Business History scholarly community. A conscious decision had even been taken not to include South Africa in the consideration of business history developments in Africa (Hopkins, 1976a:30; 1987:121), which points to a bias against the discipline in South Africa or business owned by non-African people of Africa. A political decision to oppose the policies of racial segregation in South Africa led to a simplistic equation of all whites in South Africa to the political system. The legitimate presence of Africa-born white people is ignored and at the same time all business activity undertaken by them, is equated with 'imperial business' and therefore not considered 'African business.' This seems to suggest that Africa is only the home to black African people, while the history of the continent is testimony to the centuries-long permanent presence of Africa-born Arabs, Indians and new ethnic entities of European descent, such as former colonial settlers who gave birth to new cultures, such as the Afrikaner in South Africa. This marginalization also loses account of the fact that people of colour and white Africans collaborated in business and jointly developed a new form of business organization and strategy suited to their context. Jones (2000) acknowledged that the Chandlerian model did not apply in all contexts, especially when he studied the operations of multi-national companies in Africa. A recognition of the dynamic nature of the capitalist market, the importance of context and business interests across racial or ethnic divisions, is vital to grasp the development of business in Africa. The question is not 'whose business his-

tory' in Africa, but the business history of all the African people – white, black, Asian and Arab. A study of African business history must consider business in Africa, by all its peoples.

Business enterprise through the history of Africa

The study of business in Africa is an activity engaged in from more varied points of departure than only the firm. The history of 'business' in Africa was studied not only in the context of imperialism and the continent's colonial history, but also as economic decisions by communities and individuals to engage in exchange, displaying strategic decisions interacting with the environment. The 'firm' as a concept developed in the capitalist economies of the west, did not exist as a unit of analysis before the penetration of colonial business enterprises and the imperial control of Africa. In order to understand the development of business history in Africa, three broad periods of analysis can be identified: first the pre-colonial and colonial phase of intra- African exchange and emerging engagement outside Africa; the post-imperial phase of decolonization and the political economy of neo-imperialism; and the period of the neo-liberal market engagement of globalization and internationalization. It is not possible simply to attempt to impress the Chandlerian model of analysis and subsequent theoretical variations onto business developments in Africa, because, as Kobrak and Schneider noted, '...the quest for universal history, is neither new nor confined to business history', but has also failed to deliver single integrated framework (Kobrak & Schneider, 2011:405). In each of the phases of 'business' development in Africa the complex context of Africa - the political, social, technological and economic context- added a dimension which positioned it to a greater or lesser degree as 'African' in the framework of international business history.

The first phase of business history on Africa can broadly be described as non-corporate histories of the political economy of business relations under

imperialism. The theoretical framework of exploring these exchanges was that of the two continents, two markets and the perception from the colonizing power assuming delivery of development and progress, facilitating international trade and economic development (Amsden, 1971; Hopkins, 1976a; 1976b; Hopkins, 1987; Jones, 2000). This literature departed from the imperial perspective from the European powers, Britain, or the French companies operating in British and French colonial locations (Hopkins, 1987) and the assumption that European firms made substantial profits, reinvested in expanding industrial enterprises.

At first the literature focused on the African slave trade, debated the Williams thesis (Williams, 1944) on the profitability of the slave trade for British trading companies (Davies, 1960; Anstey, 1968; 1975a; 1975b; Engermann, 1972; Fogel & Engerman, 1974; Thomas & Bean, 1974; Inikori, 1979; 1981). The debate was about how much profit was made, not about the nature of the business operations, the management of the company or the business strategies of slave trading companies. It has come to be accepted that a large number of smaller and stronger companies participated in the slave trade, some posting greater profits than others. A gradual shift occurred in the post-decolonisation period (after the 1950s) to a study of 'economic imperialism' (Austen, 1975; 1987) where the focus was on the escalation of African-European commerce based on new transport and medical technology and the resource needs of the industries in Europe (Cain & Hopkins, 1980; O'Brien, 1982; Austen, 1987). The majority of articles on aspects of business in Africa appeared in the *Economic History Review* and in general history journals such as the *Journal of African History*, *Journal of Modern African Studies*, *Journal of Imperial and Commonwealth Studies*, *African Affairs*. The focus was on the nature and impact of imperialism from a political economy perspective. The attention was not directed at the

enterprise and the entrepreneur, but at the expatriate imperial enterprises operating in colonies, serving the interest of their foreign shareholders. Studies on expatriate companies offered detailed accounts of their business operations, aspects of the interactions with the colonial state and the later newly independent African state. Many of these studies explore the activities of the mining companies from the perspective of the owners and shareholders and the opportunities for expansion and development of the mining and related industries in African countries – Malcolm, (The British South Africa Company, 1889-1939, 1939) and Flint & Williams (Perspectives of Empire, 1973, and Crown and Charter: the early years of the British South Africa Company, 1974) described the predecessor to the larger mining interests of the Anglo-American Corporation and the De Beers diamond company (Gregory, 1962: Ernest Oppenheimer and the Economic Development of South Africa and Hocking, 1973: Oppenheimer and Son). The mining companies operating in the Northern Rhodesian copper industry on the Rhodesian Selection Trust and other metal and mining interests with American partners, (Prain, 1975: Copper: the anatomy of an industry) and in West Africa (Greenhalgh, 1974: An economic history of the Ghana Diamond Mining Industry, 1919-1973) are framed in the imperial perspective. In a similar fashion the company histories on mining concerns in Katanga, the private possessions of King Leopold and later the Belgian Congo (Slade, 1962: Anstey, 1966; Cornet, 1950; Ydewalle, 1960). On West Africa Hopkins (1976a) noted that very little was written about the Ashanti Goldfields Corporation (only a booklet by Eaton [1947] Short history: Ashanti Goldfields Corporation Ltd, 1897-1947) and was only recently updated by a PhD thesis by Taylor (2006) An economic history of the Ashanti Goldfields Corporation, 1895-2004: Land, Labour, Capital and Enterprise. (LSE). The mining industry was the avenue which brought

these expatriate companies to Africa and subsequently led to a diversification in trading and shipping and other commercial interests.

The early concentration on mining companies soon led to studies on other merchant companies trading in other resources such as timber, rubber, cash crops such as cocoa, palm oil and coffee (Hopkins, 1976a) In the paradigm of imperial expatriate business attention was devoted also to the plantation economies of the Cote d'Ivoire (coffee: Frehou (1955) 'Les plantations européennes en Cote d'Ivoire') and Edwards (1955: Cadbury on the Gold Coast); Kenya (coffee: Hill (1955) Planters' Progress: the story of coffee in Kenya) and Southern Rhodesia (tobacco: Clements & Harben (1962 Leaf of Gold: the story of Rhodesian tobacco; and Haviland (1954) 'The economic development of the tobacco industry in Northern Rhodesia' South African Journal of Economics, 22(3):375-384). Several state-chartered companies played an influential role in the development of commercial agriculture in West Africa. The Royal Niger Company (1886) was explored by Flint (1960: Sir George Goldie and the making of Nigeria) and Wilson (1954) captured aspects of the history of the United Africa Company (UAC) as the predecessor to Unilever. In 1994 D K Fieldhouse published the first comprehensive business history on the UAC- Merchant capital and economic decolonization: the United Africa Company 1929-1987. In 1979 Fieldhouse revisited Unilever, but then as a 'multinational' company (Unilever overseas: anatomy of a multinational), of which the paradigm was revisited by Geoffrey Jones (2002; 2005) in his new analysis of Unilever operations in managerial and global transformation contexts. Histories of state-associated merchant companies in East and West Africa describe their operation as preparing for formal empire, similar the operations of the BSAC in Rhodesia. Galbraith is critical of the operations of the Imperial British East Africa Company, which he displayed as in-

adequate and a commercial failure (Galbraith 1972: Mackinnon and East Africa, 1878-1895), while other companies such as the British East Africa Corporation (established in 1906) developed successful manufacturing, engineering and servicing operations which spread across East Africa, and the Africa & Eastern Trade Corporation linked its successful operations with the UAC (Hopkins, 1976a). On the two French trading companies C.F.A.O and S.C.O.A. Catherine Coquery-Vidrovitch (1972; 1975) published in-depth analyses on the business operations of these companies, and assessed their efficiencies by the time of withdrawal during the 1960s.

Banks followed business. The histo-

ments in the context of the empire as explored by Newlyn & Rowan (1956: Money and banking in British Colonial Africa), Fry (1976: Banking in West Africa), Henry (1962: 100 Years of the Standard Bank), Crossley & Blandford (1975: The DCO Story), which depicts the expanding network of Barclays Bank's operations across the empire, were supplemented by histories of the Banque de l'Afrique, the Banque du Sénégal and the Banque du Congo in the French and Belgian colonial spheres. General admiration for the prudent banking practice by the 'imperial banks' were expressed in South Africa (Jones, 1996; Webb, 1992), but also collusion and uncompetitive behavior (Jones, 1993; Jones, 1996; Aus-

a target of nationalistic opposition under decolonization.

These studies in the imperial paradigm of the expansion of European capital, the development of mining, banking and trading enterprises, often family-owned, or carefully managed by shareholders in the metropolis, represent studies on business in Africa, not 'African' businesses. Many of these were not yet the 'free standing' companies as described by (Wilkins, 1988), but businesses from Europe conducting most of their operations in the colonies. Hopkins (1976a) was not very optimistic about the depth of the 'business histories' mentioned in the imperial paradigm, since few were actually 'company' histories with the focus on the enterprise, the entrepreneur, risk taking and market structures. The imperial context facilitated relative stable operating conditions, except for natural disasters and international price fluctuations. The 'glorious' descriptions soon changed as decolonization loomed in the post-war world of the right to self-determination, politically and economically and national interests of former colonial dominated peoples sought economic and political control over business enterprise, banking and trade. The political economy of market regulation, ownership and control were challenged. Imperial business had to adapt or depart.



ries of European banks and other financial institutions were also covered fairly extensively as part of the imperial history paradigm. Banking as a financial service was introduced under imperial control – both under British as well as French colonial rule. The banks serviced primarily colonial administrations and expatriate business enterprise, such as the functioning of a currency board (Hopkins, 1970) and demanded by a more sophisticated system of financial institutions in the British colonies of southern Africa (Arndt, 1928). Banking develop-

ment (Austin & Uche, 2007). The result of such 'prudent' banking supported credit extension to the existing client base, but also inhibited non-clients from raising capital 'through impersonal channels' (Austin & Uche, 2007:25). In South Africa this marginalization led to the establishment of local banks and other financial services institutions since the 1920s, which assisted local non-British clients (South African Afrikaners) in accessing credit for business development (Verhoef, 1992; 2010). The dominance and uncompetitive conduct of banks made them

Decolonization business

The second phase of Business History on Africa emerged during the post-war decolonization era since the 1960s, with the rise of the European model of business (Amatori & Colli, 2011:112-122). While post-war reconstruction occupied the attention of the first world, the non-aligned movement emerged in the bi-polar cold war era. Africa was caught up in the 'dependency' theory debates and until the fall of the Soviet Union the debates were dominated by the political economy of exploitation, underdevelopment and socialism. 'Radical' Marxist approaches to African history since the 1970s discouraged any busi-

ness history, since it was argued that the economy and politics is indivisible and they adhered to a deterministic explanatory model not suited to Business History (Hopkins, 1987:125). In Africa decolonization swept over the continent, colonial powers withdrew and left newly elected African nationalist governments to take control of their states, soon introducing 'African socialism', nationalization of industries and business and often sweeping democratic freedoms under the carpet by introducing one-party states. In this anti-capitalist environment there was barely a place for the study of capitalist enterprises. In Africa the economic history literature was dominated by studies on colonial exploitation, underdevelopment and nationalization of former privately owned enterprises (Leys, 1975; Kirkpatrick & Nixon, 1981; Austen, 1987:211-259; McCarthy, 1982).

Less attention was directed in Africa at the operations of firms, but rather at models of economic transformation. This occurred in the global environment where the state emerged as an 'entrepreneur' and planner, while the form and structure of firms changed, multidivisional groups emerged in Japan and Europe and multinational firms spread operations across the globe (Amatori & Colli, 2011:161-206). On Africa more studies on expatriate firms were completed. Some included Jones (1983: The United Africa Company and the Gold Coast/Ghana, 1920-1965), Greenhagh (1985: West African diamonds, 1919-1983), Phimister (1978) on meat monopolies in Southern Rhodesia, Munro (1981) on speculation in the British West African rubber industry, McCormack (1976; 1979) on airways and specifically the establishment of the South African Airways., Davies (1978: Sir Alfred Jones: shipping entrepreneur per excellence), Jones (1986: Two centuries of overseas trading: The origins and growth of the Inchape Group), Porter (1986: Victorian Shipping Business and imperial policy: Sir Donald Currie, the Castle Line and Southern Africa). In the cold war and a social-

ist government in France, a renewed interest arose in the role of the 'colonial state' in promoting capitalism, or as 'agent of capitalism', especially in the French-speaking colonies (Hopkins, 1987:129), while some studies explored similar connections in West Africa (Milburn, 1977: British Business and Ghanaian independence).

An entire conference was devoted to enterprises and entrepreneurs in Paris in 1981, resulting in a two volume publication *Entreprises et entrepreneurs en Afrique (XIXet XX siècles)* (Coquery-Vidrovitch & Forest (1983). The publication devoted four parts to indigenous entrepreneurship; another with expatriate business; the third with the relationship between the firm and the colonial government; and the last part with indigenous and foreign enterprises (Hopkins, 1987:120). These studies brought a valuable clarity about the agency of indigenous people, their adaptation to capitalist market relations and joint business activities taking shape in the independent states after the end of colonial control. Business with a local focus developed, especially in the case of South Africa (Jones, 1988; 1992; Verhoef, 2005; 2008; 2009a; 2009b; 2009c), depicting the establishment and growth of businesses outside the imperial context. These businesses were locally owned, driven by a desire to establish local control over commerce and industry and display the 'independence' from British or foreign capital. It is in these studies that the wisdom of the Hopkins warning that 'colonial capitalism ought not to be regarded simply as an extension abroad of the interests of metropolitan industry' (Hopkins, 1987:133) is worth considering.

In the history of businesses in independent Africa since the 1950s the literature displays a very slow start towards moving closer to the western business models. Studies on business enterprises and entrepreneurial activity can be grouped in three categories: multinational corporations, state-owned enterprises and private enterprise owned by local citizens, or the indigenous population. Some of

the work on multi-national business in the post-decolonization period was framed in the theoretical framework of 'neo-colonialism', pointing towards new forms of domination of African markets by foreign capital (Nkrumah, 1965). Slowly a body of African scholars entered the field of study, but not from a Business History paradigm, but rather from the political economy of the dependency theorists Walter Rodney (1972), Immanuel Wallerstein (1972) and Samir Amin (1976). The dependency literature has had an extended influence on African economic history (Fahnbulleh, 2006; Tignor, 2007). This literature attempted to explain the unimpressive performance of newly independent African state economies from the political economy theoretical framework, rather than addressing the agency problem of African political leadership.

When Tignor surveyed the history of business firms in Africa in 2007 he identified only three contributions in three Business History journals (Business History Review, Business History and Enterprise and Society) among more than 90 that had used the word 'Africa' in the text, that actually explored the history of a firm using primary sources on that business. These contributions were not by black Africans, but by Europeans, and were written in the 1980s. Tignor also noted the publication of literature on related to aspects of business development in Africa and on aspects of African economic history in more general history journals, but none/few on business firms. In the Journal of Imperial and Commonwealth History Butler (2007) and Cohen (2008) point to the strategies sought by business (primarily British in origin) to resort to 'pragmatism' to protect business interests in that country.

African scholarly contribution

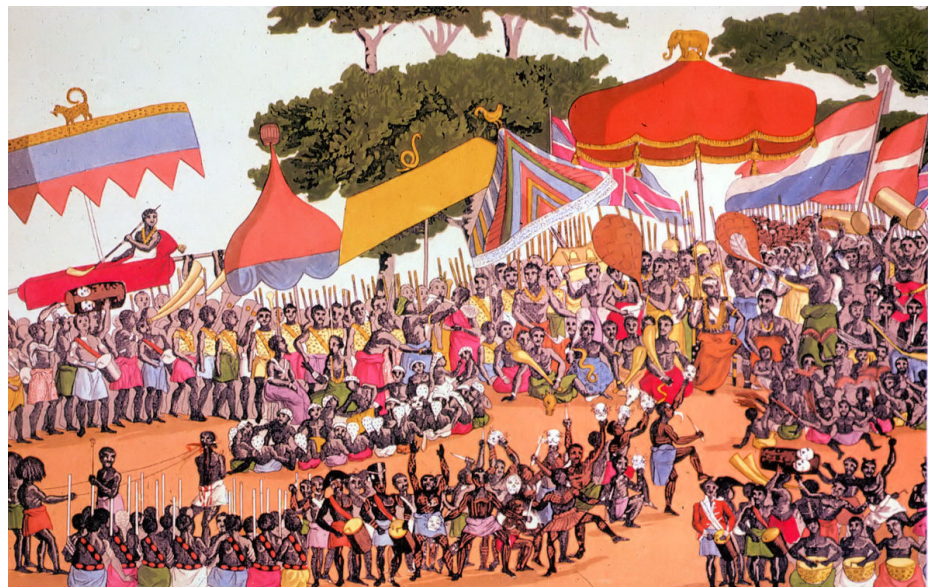
While the theoretical debates about firm structure, agency of entrepreneurs and managers, strategies of globalization and control in the Business History journals show almost no sign of engaging with the business history

of Africa, African scholars have made some progress in addressing the role of entrepreneurs and business in the growing participation by Africa in the global economy. This literature has often been published in peer reviewed journals in African countries and has not had the attention of the international business history scholarly community. In the post-1990 global context of the demise of centrally planned economies and the rise of neo-liberal market oriented economic policies in developing countries, the research agenda has gradually shifted to the role of the market, entrepreneurs and enterprise and the state in fostering economic growth. African countries did not respond favourably to the early 1980s and 1990s World Bank structural adjustment programmes, partly because of the focus on the state as the legacy of the dependency theory and the centrally planned paradigm (Pedersen & McCormick, 1999). Since the 1990s and early twenty-first century and the formulation of growth targets in the NEPAD (Luiz, 2007), African seemed to 'open up for business'. Olufemi Babarinde (2009) wrote, "Beginning in earnest in the early 1990, there was a noticeable dramatic shift in the management of the economy, polity, and society across the African continent, which, in the end, has improved the African business environment, and could be attributed to a confluence of several factors... the end of the cold war, rise of pluralist democracy, regional integration agreements and economic reforms". These changes led to a shift in the focus on private enterprise as the driver of growth opportunities in Africa, rather than the state. Gradually more studies shifted towards the development of business enterprise in Africa.

Attention has shifted to aspects of indigenous business operations and organizations. Wariboko (1998) revisited the canoe house system (wari) in the Niger delta prior to the slave trade and found the operation of a rational system of governance by indigenous traders, responding to transaction-specific investments in the interest of

long-distance trade (p.169). Forrest (1994) published a comprehensive outline of private enterprise in Nigeria showing indigenous business development gaining gradual momentum since the 1960s, but this is not yet real business history analyzing the nature of the firm, the enterprise and the quality of entrepreneurship. Indigenous Sierra Leonians' role in the transport business in Freetown was explored by Jalloh (1998), pointing to the family-structure of ownership and operations. The ethnic Fula from Sierra Leone as well as from neighbouring Guinea, emerged as the entrepreneurs, who established themselves successfully in the motor industry. Family business histories have gradually en-

terests to attempt to secure access by African business interests into the market (Harneit-Sievers, 1996; Swainson, 1980). Butler (2007) captured the intricacies of negotiating 'decolonization', eg in the mining industry, by reflecting on the role of an individual businessman in the Central African Federation prior to independence (Butler, 2007). He underlines business operations through 'free-standing companies' and the role of businessmen in negotiating sustained market access in the wake of an increasingly intrusive state, challenging the notion of 'gentlemanly capitalism' of Cain & Hopkins. Tignor (1990) explored the Ford Motor Company of Egypt around the Egyptian independence in



tered the journals (Verhoef 2010; Thorius & Maritz, 2010; Bawa, 2006), with the focus on the entrepreneur, the colonial heritage of some firms already in the fourth generation. The context in which African family businesses operate can sometimes be complicated by traditional succession systems where the 'chief' maintains inherited position, not compliant with the risk model of private business in the free market context (Osnes (2011)).

There is also a growing recognition that after decolonization there was perhaps no "decolonization" of African economies, but recognition is given to the attempts by the British colonial administration to collaborate with African commercial

1951, showing the rise of the agency of local interests (Egyptian business family) and how the multinational had to negotiate its future position to prevent nationalization, taking into account local business interests. This work has been undertaken by non-Africans, depicting the pre-occupation with the 'colonial conscience' of the legacy of imperialism.

The nuanced business history on an old client, the Ashanti Goldfields Corporation (1895-2004) [AGC] is perhaps the first quality business history on an African firm this century. Ayowa Taylor revisited the AGC in thesis at LSE in 2006. His work is based on the AGC company records to analyze the evolution of the AGC as a stand-alone

British company through the colonial period to the point of emerging as a multinational corporation in the twenty-first century. Throughout the study the focus is on profitability, efficiency as a firm and the social responsibility in society. Taylor acknowledges the political economy context of the post-independence era as only one phase of 'uncertainty' the company had to negotiate. Addressing all the theoretical paradigms applied to African economic history, he refutes the dependency theorists, agrees with Cain & Hopkins' 'gentlemanly capitalism' for a period of AGC's history and then notes the opening up of the market after the Ghanain state embarked on free market policies in 1983. The critical success factors were all management related: he puts the longevity of the company to technical expertise, continuity of persons responsible for management, and executive conservatism (pp.295-296).

The conscious sidelining of South Africa has had a negative influence on the engagement of business historians with the business history of South Africa. On the development of the financial services industry (banking, building societies, investment banking, central banking and community banking as well as informal savings organizations [ROSCAS] in South Africa) an extensive literature was published since the mid-1980s. This literature explores the financial structure underlying the development of a sophisticated modern economy, portraying successful management strategies as well as collusive practices, as observed in other parts of Africa. In South Africa foreign control over the largest part of the financial sector remained until the late 1980s, when British banks disinvested in response to statutory requirements of domestic ownership. This development can be compared to the 'first indigenization' policies of independent African states, but in South Africa it was observed as repressive, because the country was still under white minority rule. In practice it implied the development of a highly concentrated finan-

cial services sector, with interlinking ownership between local insurance companies and banks, resulting in the country's ability to sustain access to finance for domestic development in spite of international sanctions (Verhoef, 2010). Following international financial deregulation, the local financial services industry followed suit, but was not absorbed by globalizing international banks (Singleton & Verhoef, 2010). Key industries were developed under state control, and in some cases privatized. The sophisticated banking system contributed, as in other parts of the world, to the growth of big business conglomerates, which were able to take advantage of the opening up of the international markets for South Africa after 1994. There is now a dynamic and fascinating history to be told of the globalization of South African conglomerates (Verhoef, 2011; Golstein, 2012). This development is increasingly occurring in collaboration with African business partners, eg South African banks are partnering with African institutions to develop joint ventures in insurance, banking, finance and electronic payment systems. These developments are very new, but could benefit from a systematic revision of the primary documents of parties currently involved in these developments, seeking out the roots of collaboration and mutual trust that had been ignored because it did not suit the imperial paradigm of exploitation and suppression. Recently a doctoral study on the policy-holder profile of a leading South African insurance company revealed the marketing of policies to all race groups in South Africa since its establishment in 1918, the employment of people of colour since the beginning and its growing black, Indian and Coloured people policy-holder base since 1918 (Halleen, 2013). In the more than quarter of a century existence of the SAJEH more than 70 articles were published on company histories, private enterprise in agriculture and manufacturing, banking and business as well as the development of industries, with two special issues

devoted to business imperialism in South Africa and entrepreneurship. In some instances, not all, the political economy of racial discrimination was addressed, but since the focus was on the business, the enterprise or the industry in economic perspective, the political aspects of the context were only addressed where it constituted a market constraint.

The nature of African entrepreneurship has been the focus of a wide range of studies (Marsden, 1990; McDade & Malecki, 1997; Fick, 2002; McDade & Spring, 2005), with specific attention be awarded to the establishment of networks of business people for support, information, access to finance and a stronger voice in the public arena. It was established that only 2% of these entrepreneurs employ more than 10 people and therefore they are not the big firms. These informal and small enterprises by estimate, contribute between 20% and 40% of the GDP of their economies (McDade & Spring, 2005:19), but there is also the emerging African corporations.

These are big conglomerates operating across regions in and outside Africa, have different ownership structures and employ different growth strategies. Examples of such groups are the Dagote group in Nigeria, a listed cement manufacturer; the sole Rebels Group of Ethiopia, the only global footwear company to emerge from a developing nation; the mPedigree electronic system allowing the purchaser of medicine to establish the authenticity of the medication prior to use, in order to protect users from counterfeit medicine. Etisalat is a long term African investor in telecommunication services in sub-Saharan Africa, with its Wets African networks linked to GSM networks. Buchanan Renewables is a Liberian integrated renewable energy and sustainable biomass supply company (African Business, 2011). These enterprises offer an outlook on the African business community that the traditional Business History scholar has not engaged with or are unfamiliar with.

A growing body of literature is also

published in the African Journal of Business and Economic Research (AJBER). This work is not business history, but explain the role of culture in African management practices and how this impacts on the operations of African business in the global context or in their interaction with international business entering the African market (Kuada, 2006). It also considers the intricacies of collaboration between firms from developed and developing countries (Narteh, 2007); the relationship between MMCs and local firms to which operations are outsourced have had detrimental results for small local enterprises, but favourable outcomes for others (Kuada, 2008). This interaction between global and local business in Africa has a long history and justifies systematic investigation. This literature also considers that in market-oriented economies post-1990 small business enterprises have applied strategic management practices in different ways and had different outcomes, a phenomenon African scholars have been grappling with (Osuagwu, 2009). These questions were the subjects of investigation in African Business Schools, but the business historian can make an invaluable contribution by exploring these developments over time.

Is South Africa part of Africa?

South Africa has emerged as the leading OFDI nation in Africa, with ten companies in the top 100 non-financial MNCs from developing countries (ranked by foreign assets). South Africa is the only African state in those ranks. The top performer is Sasol at number 22 (WIR, 2009: A.11: 231–233; UNCTAD, 2005c: 6).

OFDI by the non-banking sector in equity capital rose from 3,53% of GDP in 1990 to 25,6% of GDP in 2007 and then dropped to around 23% in 2011, partially as a result of the effects of the GFC. These investments were not only into global markets outside Africa, but also increasingly into Africa – and increasingly with business partners from other African countries. The expansion of South African en-

terprise into global markets is reflected in the dominant position of South African OFDI in Africa. The impact of the GFC had a noticeable impact on outward investment flows, but by 2012 was restored to positive territory. In 2007 South Africa's OFDI was 73% of total OFDI of Southern Africa, and by 2010 it was still 59,62%. This trend must also be explained by considering that the most extensive M&A activity by South African firms had occurred in the first decade of the twenty-first century, which is the period prior to 2007.

How these investment patterns emerged, who the entrepreneurs are who engineered it and what the outcome has been in business development in Africa, is the 'business' of Business History. The foundations for such operations has been the focus of research in South Africa (Verhoef, 2011; Jones, 1992; SAJEH, 1982–20010), but has not elicited much attention from the Business History community at large.

One brief example of the 'African-ness' of the largest emerging market multi-national enterprise, Naspers, can serve to illustrate the long history of business development in Africa, with roots in the history of Afrikaner nationalism, which cannot simply be sidelined because the business was rooted in pre-1990 South Africa. The company is Naspers (Nasionale Pers). This company was established in 1915 as the holding company of a newspaper De Burger. It was started with Afrikaner capital in reaction to the marginalization of the Afrikaans language and the culture and interests of the Afrikaner people in the Cape. The company had close ties with the newly formed National Party of General J B M Hertzog, who opposed the conciliatory policies of the former Boer Generals Louis Botha and Jan Smuts (they were Generals in the South African War, together with General Hertzog. Over time the company expanded its business operations into the publishing of books, both of literary nature as well as school and university text books. The newspaper Die Burger

maintained close links to the ruling party for most of the period of National Party government, but developed strong criticism as the decade of the 1980s drew on. All the other newspapers in the Naspers Group were Afrikaans newspaper, circulating in other parts of South Africa. The Afrikaans medium newspaper basis would hardly be expected to lead the way towards media internationalization. The much older Argus Group of newspapers in the Cape sold out to the Irish Independent Group. In the context of political disruptions, weakening support for the apartheid government and a gradual decline in the viability of the print media, innovative survival strategies were required. By 2004 only four newspaper groups were active in South Africa – one was the Afrikaans Naspers. In the emergence of the electronic media, traditional media companies had to seek solutions to address the change in demand. Naspers started the first pay television company, M-Net in 1985 and listed it on the JSE in 1990, but that alone could not salvage the media company. In 1993 M-Net split into two companies: M-Net, which was the pay television company, and MultiChoice Limited, which took over subscriber management, signal distribution and cellular telephone services. In 1994 Nasionale Pers listed on the JSE and changed its name to Naspers in 1997. This was when the nature of management changed at Naspers.

At Naspers a manager in the newspaper division, JP "Koos" Bekker was at loggerheads with the old fashioned management style of the company. He completed an MBA at Columbia University, with a short dissertation on the electronic media. He resigned from Naspers and started his own electronic commerce/news company. After a few years he was asked by the established Naspers management in 1997 to assist the company in dealing with falling profits and drastically declining market share. Once he moved into the position as CEO he transformed the company from a predominantly printed media company into a multi-

media company. Under his leadership a new company MIH Ltd was formed to establish an internet service provider M-Web and from there Naspers ventured in a shopping spree of acquisitions in the instant messaging and internet services sectors in China (TenCent in 2001), in Brazil, Russia (Mail.ru in 2007) and in other Eastern European countries. Naspers also acquired a controlling interest in , and media groups in Brazil (Editora Abril in 2006), a 9,1% stake in the Chinese Beijing Media Company, in March 2008 the Tradus company (formerly QXL and listed on the London Stock Exchange), which provides an online auction platform and internet portals in Central and Eastern Europe. The company owns Allegro.pl, which is the leading online auction site in Poland. In 2008 Naspers also acquired a controlling stake in BuzzCity, a mobile media company providing access to a global advertising network on the mobile internet for brand owners and agencies (Naspers Annual Report, 2012). In November 2009 Naspers bought BuscaPé, provider of comparison shopping systems for more than 100 portals and Web sites in Latin America, including Microsoft, Globo and Abril. Soon the company expanded into eMag, a major e-commerce portal in Romania, and in November 2012 a minority stake in Souq.com, a similar portal in Iran.

These massive expansions in the electronic media, electronic technology, internet services and e-commerce have become the driving source of revenue to Naspers. Today it is the largest emerging market company with a market capitalization of ZAR 370,819 million (around US\$37 billion). The company remained South African based and JSE listed, from where it generates more than 70% of its revenue. The pay television and internet services in Sub-Saharan Africa and another thirteen countries of the world contributes more than 60% of its revenue, and more than 80% of its operating profit (Naspers Annual Report 2012). The globalization of operations occurs electronically from

the domestic base, but involved innovative thinking about media and the electronic age. The most important strategic direction Naspers had taken was directing its attention to the emerging markets in Asia, Central and Eastern Europe, India, the Middle East and Latin America.

In the footsteps of Naspers followed MTN, the cellular mobile operator, established in 1994 by Nasionale Pers. Mobile Telephone Network (MTN) MTN is 72.1% owned by the Johannesburg Stock Exchange listed company M-Cell, 23% by Transnet and 4.9% by black empowerment groupings. It runs a GSM 900 technology in its mobile telephone network and grew to a market share in South Africa of approximately 40% by 2001. The only foreign ownership in the company was a 30% stake held by Cable and Wireless, which was subsequently sold to SBC Communications of the US, and then to M-Cell in August 1998. As 62.5% owner of M-Cell, black empowerment grouping Johnnic is the largest shareholder in MTN. Government did play a role in MTN through the 24.1% shareholding which was held by the para-statal, Transnet. With an aggressive African expansion strategy,



MTN in just eighteen years MTN now operates as a leading cellular network in 22 countries. This includes African countries such as South Africa, Cameroon, Swaziland, Uganda, Rwanda, the Ivory Coast, Sudan and Nigeria, as well as the Middle East in Syria and Iran. This has involved the construction of operational stations and fixed investment in cellular networks as

well as data provision – which is currently also linked to the provision of mobile banking services in Uganda and Nigeria. It is currently also the largest distributor of mobile music in Nigeria. MTN is holder of one of the two cellular licenses in Cameroon. It is 100% owner of CAMTEL Mobile, a previously owned state telecommunications company. In Uganda, it has more than 80 000 subscribers, while in just over 18 months in Rwanda, RwandaCell has achieved a market standing of over 19 000 subscribers. In Nigeria, projected as the best potential market on the continent, MTN was issued one of the four cellular licenses (Financial Mail, 13/08/13). MTN is currently the largest mobile operator in Africa and the Middle East, largely through its organic growth. There were disagreements on strategic focus between the USA shareholder and the local MTN owners, since the USA partner did not regards expansion into Africa as a responsible growth path. They sold out and MTN did take on the African market, only to emerge as the leading operator in Africa. MTN is currently the largest locally based stock on the JSE, with a market capitalization of ZAR338,135 million

(or US\$33,8billion = 20% larger than the market capitalization of AAC) This market expansion was driven by exceptional management strategic vision, knowledge of the African market and use of leading technology. The control of the company is in the hands of black South African businessmen, who integrated a loose network of single country operators into a single

emerging market cellular phone giant.

This brief case study points towards the agency of African business in growing African business, the emergence of business groups and the role of management in transforming the roots of African business into global business with an African rooting or foundation.

Quo vadis Business History in and on Africa?

The Varieties of Capitalism literature underlines the moulding of markets in the specific context of the particular location (Hall & Soskice, 2001). Business historians are called upon to redirect the search for a new dominant paradigm to the embracing of the diversity of perspectives and opportunities which arise from other disciplines considering business as institutions, as located in local cultures or as agents of political and social change in a wide scope of contexts. In Africa the challenge is a dual one: one the one hand Africa's peoples do not want to be perceived as different from the rest of the world when it comes to consumption, tastes, aspirations and liberties, but on the other hand they also embrace the so-called 'African Renaissance'. This is part of Africa, in a similar way as Europe joined in the European Union, but still harbours national interests. By redirecting the conceptual foci away from the first world, the USA and the UK and the EU, business historians will find a different culture of work, business and society, a closer state-business relationship as a result of the post-colonial legacy of state-owned enterprises (Scranton Fridenson, 2013:34, 48-49). In Africa the state has a much more prominent role in regulation and policy-making (Luiz, 2007), which means that business historians can learn much from a careful analysis of the state-business relationship, or as it is often referred to the 'PPP' – public private partnership. A deep understanding of the embeddedness of colonial-era practices and perceptions is vital to unpack post-colonial developments. As Amatori & Colli phrased it- there are differ-

ent strategies for 'catch-up' (Amatori & Colli, 2011), which has important implications for the study of business history in Africa.

Hopkins (1987) and Tignor (2007) have both made suggestions about the way forward for Business history in Africa. Both referred to the use of primary business archival collections, which is off course dependent on the availability of such collections and permission by the corporate community to facilitate access. From a different position it could be argued that a determined effort to write about African business, will put pressure on the business community to collaborate, since the benefit of enhanced understanding of strategy, managerial practices and potential successes might have the desired outcome for business. The growing research output from business schools in Africa, which is not historical in nature, point towards the novelty of the enterprise. The conduct of Business History in Africa will manifest in a different environment than the 'Harvard Business School' model, but even that model has taken on another life. I suggest there is no single 'model' for the pursuit of the Business History endeavor in Africa. There are valuable lessons to be learnt from the vast literature on Business history in the established community of scholars. Business history on Africa can learn much from the focus on the firm; the strategic focus on risk and profit, as well as the structuring of managerial tasks, as they developed over time and will adapt to new contexts. Future direction for the study of Business History on Africa, in Africa and by African scholars may take the following into consideration:

- All the peoples in Africa are citizens of the continent. Africans are not only black people, but also Arabs, Asians, Europeans born and bred here, and peoples of mixed descent. Africa was also host to immigrants from different parts of the world and may find an Italian of birth, living for generations under the wonderfully warm African sun, contributing to technological or managerial innovation. The

implication of this assumption is that the history of business is developed by European people or Indian people are as much legitimate foci of research and worthy of analysis.

- Business history in Africa will be well served by refraining from seeking a single 'African' profile. Business is dynamic, people are changing and societies adapting to globalization and innovation. This happens at different time trajectories in Africa, at different levels and with different outcomes. Business in Africa is heterogeneous, dynamic and in the global world of the twenty-first century, taking its place in that space. The African latecomer-effect has implication for how African business interfaces with global business. This should be addressed in the theory of the globalization of business.

- The study of business in Africa requires a fundamental understanding of the diversity of indigenous populations' culture, traditions and developments. As the post-decolonization indigenization programmes emerged, some similarities and some differences emerged (Decker, 2010). Business History in Africa needs the African scholars' buy in and well-structured research collaboration with scholars from different geographies, research paradigms and socio-political perspectives, to explore the untold stories of growth, development and expansion. From the uniquely individual to the global citizen – this is the trajectory of suggested research.

- Globalization has changed the world we live in and will continue to do so. The study of Business History in Africa must take on the challenges of the research paradigms of globalization and explore the internationalization strategies of African conglomerates, of the development of global multinational enterprises from African soil. Business groups are emerging from Africa, business networks form the basis of the expansion strategies and collaboration across national borders have come to characterize the globalization of African and South African firms.structured research col-

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On travels, teaching, and the next chapter

Mariusz Lukasiewicz spoke to professor **Gareth Austin** in Geneva, Switzerland

You were born in Nigeria and spent your early childhood there. How has your childhood in West Africa influenced your research interests?

My mother was working in the administration of what is now the University of Ibadan when she met my father who was the representative of Longman Publishers in Nigeria. We were there long enough that I apparently waved a flag on Independence Day. After my father was transferred to England, various of his African colleagues used to stay with us from time to time. So yes, I was very oriented towards Africa. At some level, I am sure this has much to do with why I became an Africanist. I took an opportunity to apply to teach in Kenya, in a harembee secondary school. This was before I went to university, but I was formally the most qualified member of staff. I taught maths. It was a fantastic experience. As an undergraduate at Cambridge, a friend who had also taught in Kenya, said: "We've seen rural East Africa, let's now try rural West Africa!" We ended up doing 8 weeks' research in Ghana for our final-year history dissertations. After that, I decided that if I did a PhD, it would be on African economic history.

It would be very interesting to hear how you came into the profession. What led you to become an economic historian? Were there possible alternative career choices?

I wasn't at all confident that I would succeed in my ambitions so I did consider all sorts of possibilities and was actually offered a job as a management trainee by a manufacturing company. But when I got the place in the PhD programme, and crucially the funding, I didn't consider anything else.

You have been fortunate enough to work in numerous countries. Is there any place or academic institution

that has left a particular mark on your research?

My experience teaching at the University of Ghana between 1982 and 1985, with a one-year unofficial sabbatical when the campus was supposedly under workers' occupation (it was certainly under armed occupation for a while), definitely stands out. It was a terribly difficult time in the country, with the economy reaching its lowest point in 1983 before Rawlings' U-turn and the (initially disguised) introduction of Structural Adjustment, all accompanied by rumoured or attempted coups. But the students were great, and for me it was a fantastically interesting and exciting time. Undoubtedly my 22 years at the London School of Economics economic history department have hugely influenced my research. Particularly important, it meant that I was on hand to take part in the very first global history seminar that Patrick O'Brien held at the Institute of Historical Studies in London. So I was fortunate enough to be in on 'global economic history' in Britain from its beginnings. That experience has certainly influenced me in the direction of moving from think-

ing purely in terms of comparisons with other parts of what we used to call the 'Third World,' to wider global comparisons. Albeit, of course, I very much approach those global comparisons from the perspective of Africa and the 'South' in general.

Your work draws on a rich tradition of research on West African economic history. Which historians and books have influenced your academic career and research the most?

So many, but I was very interested in Thomas Kuhn's *The Structure of Scientific Revolutions*, which was deservedly a cult book in those days. I enjoyed many others, but I must say that Alexander Gerschenkron's *Economic Backwardness in Historical Perspective*, was the work of general economic history that influenced me most. I do think that he asked the right question: what difference does it make when you try to industrialise in a world where others have already industrialised? It is a simple and yet absolutely fundamental insight that the sequence in which things happen changes the context and form, and probably the speed – in this case, of industrialisa-

Upcoming conferences in 2015

January 21-24

ERSA Economic History workshop on 'The history of saving and credit' in Johannesburg.

March 27-29

Economic History Society conference, University of Wolverhampton Telford Campus

May 27-29

ERSA Economic History workshop on 'Longitudinal data in history', Stellenbosch

July 1-3

South African Historical Society

conference, Stellenbosch

August 3-7

World Economic History Congress, Kyoto

September 2-5

ESSA conference, Cape Town

September 11-13

Economic History Association meetings in Nashville, Tennessee (Deadline: January 31)

October 29-30 (unconfirmed)

African Economic History meetings, Wageningen, Netherlands.

tion. So although naturally many of his specific formulations have been overtaken by subsequent research, I think Gerschenkron is one of the greats of economic history. More specifically for African economic history, my undergraduate dissertation was on cocoa and colonialism in British mandated Togoland. That was when I read Polly Hill's *The Migrant Cocoa-farmers of Southern Ghana: a Study in Rural Capitalism* and A.G. Hopkins's *An Economic History of West Africa*, which I did find absolutely captivating and brilliant, and I still believe it is having re-read it many times. It clearly had a big effect on my career in that it made me apply to Birmingham to work with Tony Hopkins as my PhD supervisor. Works by Ivor Wilks and Kwame Arhin were also sources of great inspiration and encouragement for my subsequent work on Asante.

You and your colleagues from the African Economic History Network are strong proponents of the current resurgence of African economic history. What academic developments have contributed the most to this new interest and resurgence at economics and history departments around the world?

It is actually hard to provide a definitive answer. One clue as to why it is hard is that it is not as if the resurgence has been universal. It has taken place primarily in three places, namely Western Europe, North America and South Africa. Although there are promising signs of deeper interests in African economic history elsewhere in Africa, it would be an exaggeration to say that a resurgence is strongly evident. People in both history and economics departments in most of Africa would be very surprised if you told them that there was a resurgence in African economic history. I think that in places where it has taken off, interests are varied and this partly depends on individual biographies. One thing that has been very important was the whole Great Divergence debate: the fact that Kenneth Pomeranz, Bin Wong, Kaoru Sugihara and

-- very importantly for Africa -- Joseph Inikori, attempted to reinterpret Western economic history in the light of the research they and many others have done on other parts of the world. This definitely inspired a reciprocal deepening of interest in the economic history of Asia and Africa. There is also a resurgence in interest in Asian economic history going on currently at Western universities. Clearly, there is also another more general cultural phenomenon, which is simply the recognition of Africa as part of the world(!). This is not news to any reader of this journal, but the fact that Acemoglu, Johnson and Robinson included Africa in their dataset had significant implications for African economic history. Unfortunately that sort of thing didn't happen in earlier generations. The tendency was to simply not think about Africa when making worldwide comparisons. Now for example, you cannot write a history of labour in the world without including Africa. Twenty or 30 years ago that could have happened without thinking. Additionally, events in Africa also surely stimulated research in economic history, though how far it was 1990s anxieties about African economies not growing fast enough that was the stimulant, or rather the encouragement from post-1995 economic growth, certainly something has stimulated an outpouring of new research. Good news inspires research just as much as bad news. I used to think what we really needed to get more people involved studying African economic history was a Nigerian economic miracle, and indeed that would inspire even more interest. To conclude, I think people have different motives, but most people are interested in the historical problem of why African economies did not grow more. But current research interest has been reinforced by the (overall) positive economic developments in the last 20 years.

How do you see African economic history growing as an academic discipline in the next decade?

I would not see it as a separate discipline. After all, economic history as a whole is the intersection set of economics and history. Certainly, as a field African economic history has made a lot of progress recently. The *Economic History Review* has recently published the first special issue to be devoted to Africa by any of the generic economic history journals. The journal *African Economic History*, published by the University of Wisconsin, has now, more or less, got up to date after a few years of being behind. *Economic History of Developing Regions* is a major forum for African economic history and economic history of the Global South in general. At the 2014 African Economic History Workshop, held at the LSE, more than 50 papers were presented. I doubt that this number will be exceeded or matched in the near future. But hopefully there will be at least consolidation of the field, plus growth in Africa north of South, or at least north of southern Africa. That is the single most important thing that needs to happen. It largely depends on the amount of resources universities there have. Most economic historians in Africa have very little time for research and spend most of their time teaching. Also, colleagues in economics departments in African universities, for very obvious and understandable reasons, tend to focus on very current policy issues. And funding is more readily available for that than for research on economic history. Unless or until there is a greater recognition that 'history matters', any resurgence in economic history in universities in much of the continent would have to be left entirely to history departments. That I believe is a major constraint. Additionally, I hope there will be more research on African economic history in other parts of the world. There is in Japan, but, for example, why are there not more scholars in India studying African economic history?

You have always been an avid follower of Southern African economic history. Despite a sharp drop in economic history research in South Af-

rica in the 1990s, there is currently resurgence in the field. Is there any particular area of South Africa's economic history you would like to be explored further?

There was certainly a dip in the years after the fall of the apartheid regime. I remember when I was a PhD student, Tony Hopkins put forth the thesis that the degree of interest in African history generally had migrated around the continent following the frontier of the liberation struggle. When the continuous professional study of African economic history -- South Africa excepted -- began, in the 1950s, with K.O. Dike's *Trade and Politics in the Niger Delta 1830-1885*, the original focus was on West Africa because West African countries were becoming independent first. There was then a big shift in interest towards East Africa, e.g. the Dar es Salaam school of historians, stimulated by independence there and the radical experiments of President Nyerere in Tanzania. By the time Tony was making his remark, in 1979-80, Southern Africa was very much the focus of African economic history with the "Rise and Fall of the African Peasantry" thesis and the intensification of the capitalism and apartheid debate. In that sense, there was a kind of logic that there would be a waning of interest once apartheid eventually fell. It is therefore particularly good to see that there has been a major resurgence in South African economic history more recently. On particular topics, I would like to see more work uniting economic history and environmental history: economic historians have focused on how markets mediate interactions between humans and the physical environment, but we need to give more attention to the interactions themselves.

You have been a teacher for most of your professional life. Do you have any advice for South African academics on making economic history more enjoyable for students?

The premise is certainly right. I spent many years doing vastly more teaching than research. I think that there

is a combination of things that one could bear in mind. On the one hand we all, both teachers and students, have benefited from the technological advances of the last 20 or 30 years. I think that most people do a better job with Powerpoint than with chalk and blackboards, for example. Again the standard of teaching benefited from the introduction (now long ago) of student surveys at the end of the course.

On the other hand, some older truths remain applicable. One is, I personally think that probably the most useful single thing a teacher can do is to give detailed individual written feedback on students' work. But of course how much you can do this depends on the ratio of students to faculty. Again, there is still an awful lot that one cannot simply improve by technicalities. A fellow undergraduate commented about one of our teachers that the great thing about him was that "he takes us not as we are, but as we might be." I think that is something for all of us as teachers to remember. Of course, you must know where the students actually are, but it is equally important to take account of their potential. And there is still much room for simple intellectual inspiration. Despite the many brilliant slide presentations that I've heard (and I personally would feel very awkward without slides these days), the best lecture I have ever heard remains one that was given by somebody (Raymond Williams) who sat on the desk throughout the lecture, making no hand gestures, hardly altering his voice and using absolutely no props, but just talked brilliantly for 60 minutes.

Before 1994, defining oneself as an economic historian in South Africa was already a political statement. How do you see the role of economic historians in South Africa 20 years after the end of apartheid?

What I would say from a distance is that is that economic history in South Africa seems to be developing in a less fractured spirit than was understandably the case in the apartheid

era when (along with friendships and solidarity) there clearly were major divisions, both personal and institutional among people interested in South Africa's economic (and general) past. This must have at some level been exacerbated by the political context, and it is very good if there is now greater respect for each others' efforts.

Again, it seems to me fundamental that in economic history in South Africa and on Africa as a whole, we need to avoid replicating the catastrophe that befell economic history in the United States in the 1970s or so. Following the otherwise extremely positive cliometric revolution, there was a disastrous separation of economics and history departments, and generally speaking a decline in economic history in history departments, while in economics departments the historical research that was done tended to concentrate simply on the questions that could be answered using cliometrics. That was a totally unhealthy and mutually damaging division and I think that it is vital we avoid reproducing it. But that isn't specifically a Southern African problem: it is true for African economic history as a whole.

You are on sabbatical this academic year. Is there any special project you are devoting your time to?

I would like to say I am devoting all the time to the special project but in fact I am still working on other things that I have to finish in order to fulfil obligations before I can get to the project! The serious answer is that there are two 'special' projects. One is getting back to and finishing a book that I set aside a few years ago, called *Markets, States and Slaves in West Africa*. The other is a collective volume stemming from a conference held here at the Graduate Institute in Geneva last September, called *Economic Development in the Anthropocene: Perspectives on Asia and Africa*. I think that this is a very important project and that the direct interaction between economic activity and physical environments is a very important field for future research.



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