

PSCI 4012

Global Development

Colonialism and Development

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Today's Plan

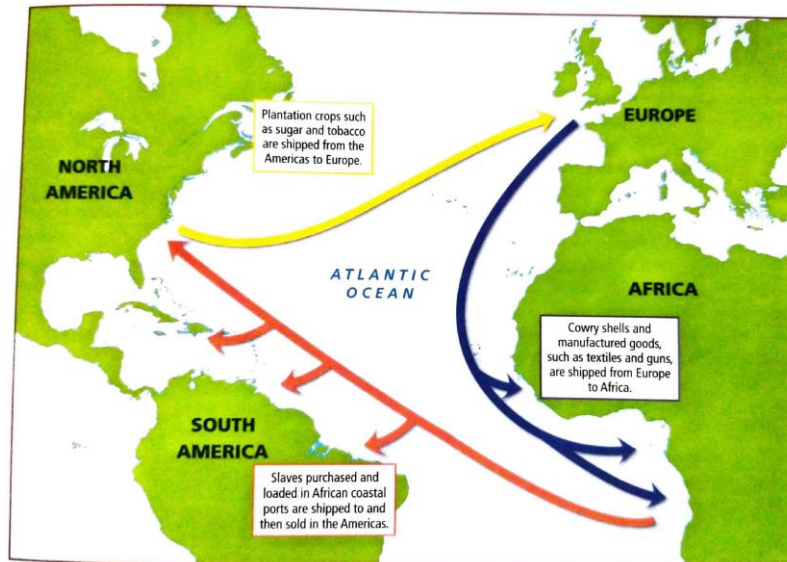
- The Atlantic Slave Trade and its economic consequences
- Western Colonialism and its economic consequences
- Are the slave trade and colonialism root causes of underdevelopment?
- Group exercise

Atlantic Slave Trade

- Slavery: “a system of labor in which a person is both owned and forced to work for another person” (Baker, 2014)
- The Atlantic Slave trade: the episode between 1440s and early 1800s in which an estimated 12 million Africans were forcibly taken from their continent and enslaved in the Western Hemisphere
- Question: Why did the Europeans start the Atlantic Slave Trade during the 15th century, but not before?

Atlantic Slave Trade

Triangular Trade Pattern



Source: National Geographic Society

Atlantic Slave Trade

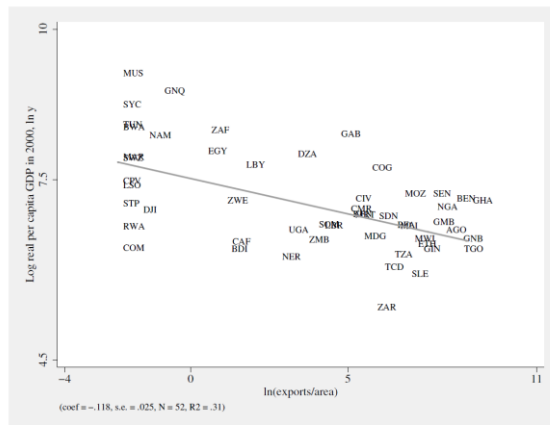


FIGURE III
Relationship between log slave exports normalized by land area, $\ln(\text{exports}/\text{area})$, and log real per capita GDP in 2000, $\ln y$

Source: Nunn, 2008

Atlantic Slave Trade

What might have caused this link between poverty today and slavery so long ago?

- Slavery led to lower population density, and hindered people's ability to construct cities in which economic development could flourish
- Africans did not get anything productive in return, and slave demand encouraged some Africans to allocate their human resources to counterproductive economic activities such as raiding and slave trading
- Slave trade paved the way for seemingly permanent mistrust between different identity groups in Africa and led to violent conflict among competing groups

Atlantic Slave Trade

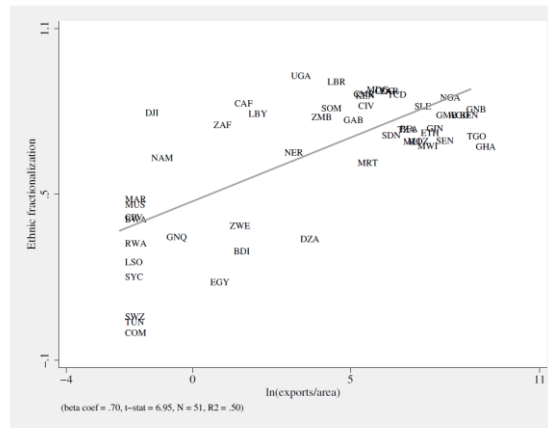


FIGURE VI
Relationship between slave exports and current ethnic fractionalization

Atlantic Slave Trade

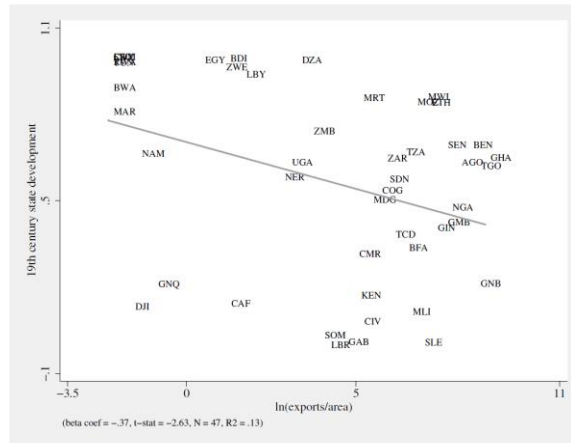


FIGURE VII
Relationship between slave exports and 19th century state development

Source: Nunn, 2008

Atlantic Slave Trade

What were the consequences of slave trade for Latin America and the Caribbean?

- The Caribbean and Latin America had received the largest share of the Atlantic Slave Trade
- The economic and political institutions in these regions were mainly designed for the maintaining the extreme inequality within their populations

Atlantic Slave Trade

- “The economies that specialized in the production of sugar and other highly valued crops associated with extensive use of slaves had the highest per capita incomes in the New World.” (Sokoloff and Engerman, 2000)
- “The greater efficiency of the very large plantations, and the overwhelming fraction of the populations that came to be black and slave, made the distribution of wealth and human capital extremely unequal.”
- “Together with the legally codified inequality intrinsic to slavery, the greater inequality in wealth contributed to the evolution of institutions that protected the privileges of the elites and restricted opportunities for the broad mass of the population to participate fully in the commercial economy even after the abolition of slavery.”

Laws Governing the Franchise and the Extent of Voting in Selected American Countries, 1840–1940

		<i>Lack of Secrecy In Balloting</i>	<i>Wealth Requirement</i>	<i>Literacy Requirement</i>	<i>Proportion of the Population Voting</i>
<i>1840–80</i>					
Chile	1869	Y	Y	Y	1.6%
Costa Rica	1890	Y	Y	Y	—
Ecuador	1856	Y	Y	Y	0.1
Mexico	1840	Y	Y	Y	—
Peru	1875	Y	Y	Y	—
Uruguay	1880	Y	Y	Y	—
Venezuela	1880	Y	Y	Y	—
Canada	1867	Y	Y	N	7.7
	1878	N	Y	N	12.9
United States	1850 ^a	N	N	N	12.9
	1880	N	N	N	18.3
<i>1881–1920</i>					
Argentina	1896	Y	Y	Y	1.8 ^b
	1916	N	N	N	9.0
Brazil	1914	Y	Y	Y	2.4
Chile	1920	Y	N	Y	4.4
Colombia	1918 ^c	N	N	N	6.9
Costa Rica	1912	Y	Y	Y	—
	1919	Y	N	N	10.6
Ecuador	1894	N	N	Y	3.3
Mexico	1920	N	N	N	8.6
Peru	1920	Y	Y	Y	—
Uruguay	1900	Y	Y	Y	—
	1920	N	N	N	13.8
Venezuela	1920	Y	Y	Y	—
Canada	1917	N	N	N	20.5
United States	1900	N	N	Y ^d	18.4
	1920	N	N	Y	25.1
<i>1921–40</i>					
Argentina	1937	N	N	N	15.0
Bolivia	1951	—	Y	Y	4.1
Brazil	1930	Y	Y	Y	5.7
Colombia	1930	N	N	N	11.1
Chile	1931	Y	N	Y	6.5
Costa Rica	1940	N	N	N	17.6
Ecuador	1940	N	N	Y	3.3
Mexico	1940	N	N	N	11.8
Peru	1940	N	N	Y	—
Uruguay	1940	N	N	N	19.7
Venezuela	1940	N	Y	Y	—
Canada	1940	N	N	N	41.1
United States	1940	N	N	Y	37.8

Source: Engerman, Haber and Sokoloff (2000).

Western Colonialism

- Colonialism: “governing of a territory by individuals and institutions from outside the territory” (Baker, 2014)
- Western Colonialism: the 500 year period from 1450 to the mid-twentieth century.
- A large portion of today’s LDCs were colonized by a European country

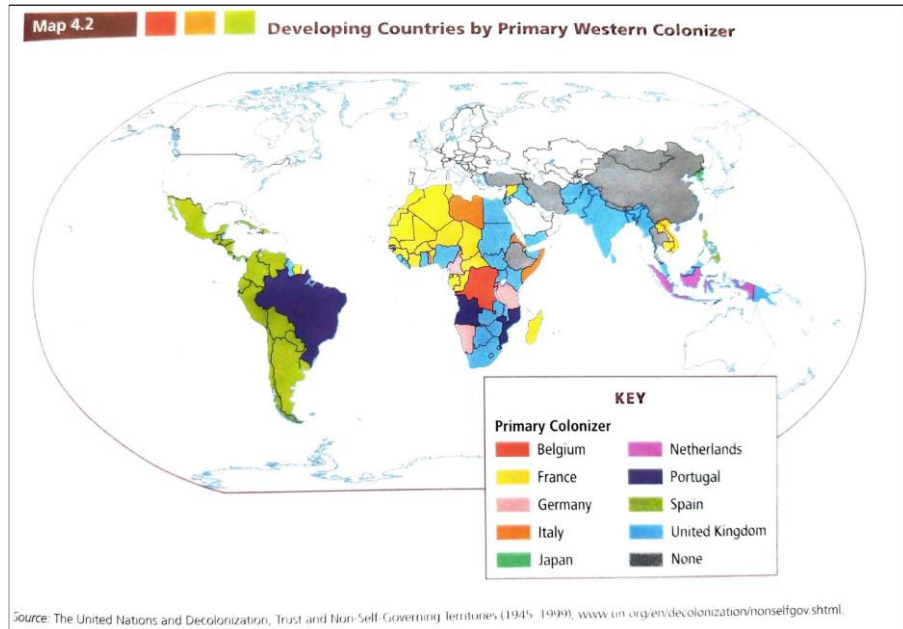
Western Colonialism

Table 4.1

Three Eras of Colonial Expansion

Era	Regions Colonized	Period of Expansion and Colonization	Primary Colonizers	Period of Decolonization
The Iberian expansion	Latin America	1492 to 1530s	Portugal and Spain	1810s and 1820s
Era of the chartered trading companies	South Asia, Southeast Asia, parts of African coast	1600 to 1770s	Dutch East India Company, British East India Company	1940s (companies yield sovereignty to metropole states in 1800s)
The Scramble for Africa	Sub-Saharan Africa	1880 to 1914	Great Britain, France, Germany, and Belgium	1957 through 1970s

Western Colonialism



Western Colonialism

- Question: What was different between post-1450 Western colonial era and previous episodes of colonialism? What were the consequences of this distinctive feature?
- In earlier episodes of colonialism, colonizers were annexing nearby territories
- “The proximity between the rulers and the ruled tended to limit the cultural and biological differences between two-peoples” (Baker, 2014)

Western Colonialism

Critiques of the colonialism hypothesis:

- The reasons that made it easy for Westerners to colonize these societies are the root causes that led them to be less prosperous in the long-term
- Compared the to resources the previously colonized countries have today, the volumes of resources that were taken by the colonizers was very small
- The examples of South Korea, Botswana, and Chile indicate underdevelopment is not inevitable for colonized nations

Group Exercise

- Research question: Have countries which were colonized by the British had better economic performance in the long-term than countries which were colonized by the French? If so, what can explain this relationship?
- Answer the above question by using data on colonizer and long-term economic performance