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CENTER DISCUSSION PAPER NO. 79

ECONOMIC FORMS IN PRE-COLONIAL GHANA<sup>1</sup>

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## Economic Forms in Pre-Colonial Ghana<sup>1</sup>

Stephen Hymer

This essay uses a simple physiocratic model to examine forms of economic organisation prevailing in Ghana before it was incorporated into the British Empire at the end of the 19th century. It is divided into three parts. The first analyzes the village subsistence economy and suggests that the egalitarian nature of the land-tenure system prevented the emergence of a land-owning class and the appropriation of an economic surplus. This led to an economic structure characterized by a low level of material production and a low degree of specialisation and exchange. The second part analyzes forms of economic organisation associated with long distance trade: i. e., the very old northern trade with other parts of Africa, and the southern coastal trade with Europe which began in the 15th century. It argues that foreign trade not only expanded the consumption possibilities of the society, as predicted by the theory of international trade, but also introduced a new class structure and greater income inequality, since it allowed a small group to appropriate a surplus for its own use. The third part discusses the relevance of Pre-Colonial forms to 20th century economy development.

## I. The Village "Subsistence" Economy<sup>2</sup>

"All power lies in land" goes a Ghanaian proverb. As in most agrarian economies, the system of land ownership was the dominant element in determining the structure of the economy. In the Pre-Colonial Ghanaian economy, land was distributed equally and most families had full rights to the land they used, paying little or nothing in the way of rent or taxes. A fair share of available land was the right of every member of the community. The product of the land thus belonged to the family that cultivated it and there was no leisure class deriving its income from rents. (As we shall see in the next section, such leisure classes as there were, depended upon gold-mining and long distance trade rather than land).

The absence of rent may have been due to the low population density and an excess supply of land. In technical terms, one could argue that rent was zero because the marginal productivity of land was zero due to its abundant supply. This is not a convincing explanation, however, since land, even where it is plentiful can be made scarce, if certain groups gain the power of excluding others from its use. Land, in Ghana, was certainly not free in the sense of being available to anyone in unlimited quantities at zero price. On the contrary, all land had an owner and land rights were jealously guarded. Some individuals in the traditional society, usually strangers or captives, were denied land and had either to pay rent or to work as servants or slaves. The problem is to explain why this was not a prevalent relationship.

An important part of the answer seems to be the land laws, which as

stated by Jones, reflect a "native" genius in political organisation, which is democratic." He argued that the land tenure system of West African societies was designed to protect against artificial scarcity, by insuring that land did not accumulate in the hands of a few, and that every member of the society had an unquestionable right to participate in its use. The policy was

to give the chief no more land than any other individual and to distribute land rights widely and more or less equally, so that there are democratic communities consisting of multitudes of small farmers or peasant proprietors of much the same social and economic status. The temporal lord scarcely exists on the West Coast, and there is no<sup>3</sup> conception whatever of a landlord in the European sense.

Thus no member of the community was landless; and, since most belonged to a community, few men were forced, by lack of land, to work for others. The result was a relatively equal distribution of income in which everyone had similar standards of food, housing, and clothing. In Jones's words, West Africans, although devoid of a ballot box, could "...attain their ends by far simpler and more natural means, but the effect of it was to give a relatively enormous number of people an effective power in the ordering of their own government."

Jones conjectured that this system was a carry-over from a hunting past. Hunting required a high degree of synchronization and coordination of activity, and the social organisation must be democratic in order to ensure cooperation. In this type of economy, in order to preserve the community as an effective working unit in a difficult and exacting task, the political leader must maintain

harmony and balance. An agricultural economy does not require the same rigorous division of labour; but when a society moves from hunting to agriculture, it may carry over with it the same vital principles of balance and equality. Thus there develops a system of land tenure in which the chief or head of household, acting as a trustee in association with elders, preserves unity and stability, by allocating portions of land to members as needed -- keeping the unused part in reserve. In its ideal form this system produces an economy in which members are united in blood, language and customs. Thus an orderly production is ensured by reciprocity, redistribution and householding, rather than the principles of labour for remuneration, minimum effort, and the separation of economic institutions from political and social ones.

Of course this simplified presentation exaggerates the degree of equality and democracy attainable, and should not be taken as a literal description of actual economic conditions in Ghana. It is, however, a useful half-truth to contrast with the economic organisation found in other countries, and with the economic structure that developed in connection with foreign trade.

Paradoxically, the egalitarian nature of the land laws may have inhibited economic development precisely because they prevented a concentration of wealth and power. Let us suppose that a small group, of superior military strength, had been able to appropriate the land and develop a political system in which they obtained a large share of the agricultural output through rent or taxes. Such a system existed in miniature in various parts of Africa but did not grow to large proportions as in other continents. This would have had far-reaching

consequences on the economic structure. The landlords and the governing class would have used its income to buy food and other consumption and investment goods; part of the population would have left agriculture to become traders, artisans, servants and the like, engaged in supplying the needs of the leisure class, and the farmers would have had to increase agricultural production, decrease subsistence non-agricultural production and perhaps consume less food themselves in order to pay rent or taxes. The economy would have become divided into three social classes, as described by the physiocrats: a manufacturing and service sector which provided for the needs of the aristocracy; and an agricultural sector which produced the wherewithal to feed the population as a whole.

The ruling group would then have channeled part of the surplus into palaces, monuments and public buildings -- to the extent that it built roads, irrigation systems, and other infrastructure, output per head would have risen and the capacity of the economy increased. Technological change might also have been speeded up as a result of this division of labor in manufacturing and other activities. A "civilization," in the classic sense, might have emerged, perhaps comparable to those of India, China, Egypt, Babylon, Rome, Mexico, Peru, etc., with large urban complexes, impressive structures and an extensive communications system -- and European visitors would have been more impressed with Africa than they had been.

As we shall see in the next section with respect to gold production and foreign trade, something of this nature did actually happen. A military ruling

group did arise, was able to appropriate part of the surplus for itself, created an extensive network of trade and production, and established an elaborate and far-reaching political empire. However, for the most part, aside from the foreign trade sector, each household in Ghana owned what it produced and traded with other households on a voluntary basis.

The result was that a large part of the economy was characterized by a household subsistence form of economic organization with a low degree of specialization and exchange, and a low level of material production. Each household was to a large degree an independent center for production and consumption carrying on a wide range of agriculture, service, and manufacturing activities. It grew most of its own food, built its own houses, furniture and equipment, provided its own clothing, and in a sense contained an economy in itself. It cooperated on the village level with other households in activities such as defense, hunting, and sometimes, house-building and land-clearing. Although some persons also specialized in varying degrees in religious, governmental or manufacturing activities, within the village economy there were few full-time specialists and there was no elaborate division of labor. In an ordinary village, even the chief's family would typically supply its own food.

A certain amount of trade between villages occurred in various goods, but its volume, relative to production, was low. The abundance of markets reflected in part their social function as a forum for exchanging ideas and news, and in part, as a medium of commerce. Households and villages were to a large extent self-sufficient and their connections with neighbors were dominated



by social and political factors rather than economic ones. Within the family, work and product were distributed according to social rules. The women and the young men did a disproportionate share of the work while the old men consumed a disproportionate share of the output. However, over a period of a life cycle, a man's lot more or less equalled out. Such a system was maintained by custom - and the monopoly of knowledge that comes with age - rather than by force, since power was in the hands of the oldest and physically weakest members of the community. Consequently, society did not polarise to any great extent into two sectors, one producing food and the other specializing in manufacturing and services. However, the agricultural technology for producing food surplus and freeing a significant portion of the population from agriculture existed but was used in such a manner that each family spent, say, one third of its time on food production, instead of one family in three doing this work full time. Output per man was therefore low in agriculture because each family needed only to produce its own consumption requirements. Production per acre was also low because 30 part-time workers will usually use more land than 10 full-time workers.

The situation described above led some observers to conclude that African farmers were trapped into low levels of underdevelopment because of their crude technology. However, it seems more useful and logical to view African agricultural-technology as the result of economic choice rather than ignorance of alternatives. In point of fact, West African farmers used a variety of agricultural techniques simultaneously, ranging from intensive year-round cultivation of small plots around the compound, using fertilizer, to extensive bush-fallow cultivation, using much land and little labor. On numerous occasions,

they were easily able to produce a surplus for the market, when they wished to do so. There may have been some groups which could just barely produce enough food to support themselves and where the possibility of a more complex division of labor did not exist, but in the vast majority of cases a potential agricultural surplus existed and was not appropriated only because of the organization of society. Material production was low in West African societies, in part because of the structure of demand, and in part because of the lack of division of labor and specialization. However, to counterbalance this, leisure and luxury were spread evenly rather than concentrated in a few people, and if per capita income were measured in terms of freedom from toil, reasonable health and a rich and varied life, then the vast majority of Ghanaians probably enjoyed a higher level of income than their counterparts in the great civilizations where life was often nasty, brutish and short. Slavery and misery nearly always have been the dual of civilization.

## II. The Foreign Trade Economy

The village subsistence economy we have just described represents only one level of economic organization in Ghana. The foreign trade economy, which has always played an important role in Ghana was based on quite different principles. We might begin by describing this trade briefly.

Adam Smith was quite wrong in his conjecture that "all the inland parts of Africa... seem in all ages of the world to have been in the same barbarous and uncivilized state in which we find at present." Smith had reasoned that

the lack of river transport had prevented specialization and exchange.

"There are in Africa none of those great inlets to carry maritime commerce into the interior parts of the great continent: and the great rivers of Africa are at too great distance from one another to give occasion to any considerable inland navigation." In actual fact, an extensive inland network of intra-African trade had existed long before Adam Smith's time and had integrated large parts of the continent into the world economy, including the territory encompassed by modern Ghana.

The main link between Ghana and the rest of the world has been through the gold trade, and this link connecting Ghana to Western Europe, first indirectly through North Africa and then directly through the coastal trade, is almost 1,000 years old. It has been argued that the Arab conquest of North Africa in the eighth century changed the Mediterranean from a link to a barrier, thereby helping to destroy its Roman economy, with an accompanying retreat in Western Europe to a subsistence economy, and the subsequent growth of feudalism. By contrast, however, the effect in West Africa of the growth of the Arab economy, was to stimulate trade and urbanization. Gold, slaves and malaguetta pepper -- "grains of paradise" -- flowed northward from West Africa in exchange for a southward flow of salt and manufactured items, especially cotton textiles.

As a result of this network, great trading empires (Ghana, Mali, Songhai) formed in the interior of Africa, in the savannah belt, known as the Sudan -- "the country of the Black people." This territory lies between the Sahara

desert and the tropical forests to the south. According to Mauny, "the Western Sudan was, from the eighth century until the discovery of America, the chief supplier of gold for the Western world."<sup>5</sup>

A complete picture of the connections between the Sudan trading states and the area known today as Ghana has not yet been established. It is clear, however, that important linkages did exist and that Ghana carried on an extensive trade with other parts of Africa through inland routes to the North and by sea with Nigeria.<sup>6</sup> When the Portuguese reached Elmina on the Gold Coast in 1482, they found traders from the Mali empire, and a commercialized economy. Indeed it was precisely because Ghana had been integrated into the continental trading system that it was so attractive to European traders. A highly developed system existed for producing and selling gold which had previously been sent overland to North Africa in exchange for cloth. The Portuguese tapped this system and were able to buy large quantities of this gold at the coast. (It has been estimated that the Portuguese shipments of gold from the Gold Coast in the early 16th century amounted to from 1/2 to 1 ton a year and equaled about 1/10th of the world's gold supply).<sup>7</sup> Another main item of trade was cloth which presented a peculiar problem because of the existing native preference for the North African manufacture over that of the Portuguese. Therefore, the Portuguese, in order to satisfy West African tastes, bought cloth in North Africa; indeed, they even commissioned men on the Barbary Coast to make fabrics especially for this trade.<sup>8</sup>

Europe's success in breaking the Arab monopoly of the Gold Trade, by

sailing around the West Coast of Africa and establishing direct contact with the producing sources in Ghana, had a revolutionary impact on the country's economy and society. In an effort to monopolize trade, the Portuguese built a fort on Ghana's mainland and were successful in maintaining this monopoly until the 1530's after which English and French marauders challenged their position with increased regularity. Neither the French nor the English built forts in the 16th century, but conducted their trade from ships, despite Portuguese efforts to deter them. The Portuguese also tried to establish a gold mine of their own, to explore the interior, and to exert control over the surrounding people; but they were again unsuccessful and their power "was virtually restricted to within gunshot of their forts and ships."<sup>9</sup>

Towards the end of the 16th century the Dutch also entered the Gold Coast trade and established several forts. They were soon followed by other major European powers. In all, about twenty trading forts and castles were established along the coast in the 16th, 17th and 18th centuries as Ghana became a principal focus of rivalry among the European nations, and were managed at times by the French, English, Swedes, Danes, Dutch and even the Brandenburgs.

Judging by the number of forts, trade must have been substantial, and it is not surprising that it had profound repercussions on the whole organization of the economy and society of Ghana. The Portuguese introduced new crops, some of which -- maize and cassava-- soon became staples; and the consequent revolution in land-use played an important role in making possible a denser settlement in forest areas. Although the northern trade continued (Ivor Wilks suggests that

the interior trading centre at Begho remained a major one in the 16th century, although it hardly shipped anything to the coast)<sup>10</sup> the new opportunities from trading via the coast increased the availability of imported goods, especially the products of the rising manufacturing industries of Europe. Cloth, caps, blankets and other products of cotton and wool were brought to Ghana where local cotton is of a very poor quality and wool is not available, since the tropical climate precludes sheep-farming. European iron products obviated indigenous iron smelting and provided an increased supply of raw material for the making of tools and industries. A variety of metal manufactures were also made available to Ghana, which either replaced or supplemented the local products -- pots, kettles, basins, knives, pins, swords, daggers, firearms, axe heads, hammers, etc. This increased production in agriculture, hunting, food-processing, furniture manufacturing, etc., as well as providing weapons for military and political control.

A glimpse of the internal trade network, stimulated by foreign trade is provided by a Dutch observer who, as early as 1602, described a Ghanaian market surprisingly similar to those of today and indicated a widespread system of food exchange between the coast and the interior extending 100-200 miles inland:

"...then the women come to the market with their wares, who bring oranges, limons, bannanas, back-ovens, potatoes, indianias, millia, mais, rice, manigette, hens, egges, bread and such like necessaries, which those that dwell on the sea-side have need of, and are sold both unto the inhabitants, and to the Netherlanders in the ships, which come thither to buy it. The inhabitants of the sea-side come also to the market with their wares, which they buy of the Netherlanders, as linnen cloth, knives, ground coralls, look-glasses, pinnes, arme rings, and fish, which their husbands have gotten in the sea, whereof the women buy

much, and carrie them to other townes within the land, to get some profit by them, so that the fish which is taken in the sea, is carried at least an hundred or two hundred miles up into the land, for a great present, although many a times it stinkes like carrion, and hath a thousand maggots creeping in it. Those women are verie nimble about their businesse, and so earnest therein, that they goe at least five or six miles every day to the places where they have to goe, and are laden like asses; for at their backes they carrie their children, and on their heads, they have heavie burthen of fruit, or millia, and so goe laden to the market, and there she buyeth fish to carrie home with her, so that oftentimes, they come as heavily laden from the market, as they went thither."<sup>11</sup>

Barbot, 150 years later, describes the extensive system of internal markets which had grown up in the Gold Coast, as well as the increase in the numbers of specialized traders, acting as middlemen between the Europeans and the inland trading empires thus:

"...trade was well established among those people, in every part of it, many of them applying themselves wholly to it, and the profit being considerable, many from the inland thought it worth while to come down to the coast, to buy European goods of the Portuguese and other whites, to furnish the markets in their several provinces; others settling there with their families, as brokers and factors for their correspondents, residing in remoter parts, great numbers of which sort are to be found settled at many places under the European forts, especially Commendo, Mina, Corso, Mouree, Cormentin and Acra... Thus in process of time, from generation to generation, the resort of trading Black has been greater; as the several European settlements at the coast have increased the plenty of goods, and consequently lessened their prices, which has been a greater encouragement to those people to drive the greater trade in the remote inland countries, and by it many have been vastly enriched... as the trade increased in the course of a century or more, the number of those factors or brokers has also multiplied to what they are now; as has the number of fairs and markets in many parts of that vast country."<sup>12</sup>

From the point of view of economic organization, the most important new forms associated with foreign trade were the institutions of the state

and slavery. The economic basis of the State was a substitution of taxes for banditry. Without a strong State, long-distance trade is continuously in danger of predatory attacks by armed robbers. A military group, able to maintain peace and security in a given area, can ensure the safety of traders and then tax them accordingly. The duties charged can be viewed as protection money, and as Jack Goody points out with references to the Gonja Kingdom of Northern Ghana, "...provided the charges were not exorbitant, traders usually preferred to travel in relative security through such kingdoms rather than run the risk of being raided in the country of their chiefless neighbors."

This symbiotic relationship between the military and the merchants has a dynamic which can lead to the formation of larger and larger trading empires. The more effective the political and military organization is, the wider an area it can encompass, the greater the trade it can stimulate, the greater the taxes it can collect, and hence the greater an area it can pacify. Moreover, with each additional area conquered, the State enhances its bargaining power, by reducing the options available to traders. Where many small States compete as suppliers of safe passage and safe haven, the price of protection will be bid down to cost level. However, if one group should be able to establish its hegemony over a wide area, it can then charge duties in excess of costs, and extract monopoly rent from the commercial sector. This fiscal surplus can then be used by the State to found a "civilization."

A strong State has also the power to exploit labor. The growth of foreign trade created a demand for labor to produce and transport the export staple,



and to provide food, manufactures and services for the ruling elite. Some of the increase in demand was satisfied by free labor remunerated at the opportunity cost of subsistence agriculture. But the foreign trade economy, because it led to a concentration of power, also made it possible to use slaves for these tasks. This tendency was encouraged by the existence of the European slave trade and the fact that slaves were a by-product of the expansion process, since conquest of a new area created captives who would either be sold to Europeans or used locally.

The word "slavery," however, should not conjure up the image of a ruthlessly oppressive system, such as was known in the European plantations of the New World. The word describes the terms and conditions of employment and not the degree of exploitation. The treatment of slaves varies considerably, even within the same social system. It is only under special circumstances, such as existed in the Caribbean and in South America, that a total society could be organized to extract the maximum possible surplus from slaves, irrespective of any human or social considerations. In the Pre-Colonial Ghanaian economies, the use of slaves was considerably more temperate. Although slaves fared worse than free men, their standards of living were well above the minimum for bare subsistence. (In the Caribbean, standards of living were frequently kept below the cost of production on the grounds that it was cheaper to buy new slaves than to keep the old ones alive for more than six or seven years).

The economic forces just described played an important role in the dynamics

of Ghanaian society in the Pre-Colonial period. The origins of the ruling groups, in many parts of Ghana, can for example, be traced to migrants from trading empires to the north who came to Ghana in order to keep trade routes open and to insure the supply of gold. Similarly, when Europeans arrived on the Coast in the 15th century and changed the direction of trade, new political organizations were created to control the new commercial patterns. From the 16th century on, Ghana experienced a period of active state formation as various groups jockeyed for control of trade routes. At first these states comprised only a small area, but as time went on, larger and larger ones emerged. K.Y. Daaku describes the process as follows:

"..In the second half of the 17th century gun-running which followed the wake of the concentration of many Europeans forts shook the foundations of (Gold Coast) society. The great proliferation of firearms made possible a forcible inclusion of other weaker states into the power complex. The later part of the 17th century, therefore, witnessed the formation of sizeable empires in the hinterland of the coast. The desire for territorial expansion by force of arms in order to be economically viable in the new situation was first shown by Denkyira, to be followed by Akwamu and Ashanti."<sup>14</sup>

According to Wilks, by 1710, Akwamu found itself "master of an Empire extending well over a 100 miles on each side of the Volta and an indeterminate way inland and over the Afram Plains and the hill country behind the Volta to the east."<sup>15</sup>  
By the early 19th century while the Ashanti.

"...had established ascendancy over an area of some 125,000-150,000 square miles from the southern coasts to the high forest, heartland of the empire, and far into the northern savannahs. Within this area there lived probably

between three and five million people. Economically the territory was rich in exploitable natural resources, especially of gold and kola. Along ancient trade-routes to Hausaland in the north-east, and to Timbuktu and Jenne in the north-west, Ashanti commodities could pass into the entrepots of the Western Sudan and some, by the trans-Saharan caravan trails, on to the greater markets of North Africa. On the southern shores of Ashanti the agents of Danish, Dutch, English, and French companies had established their numerous factories, and vied with each other, and with the northern merchants, for the trade of the interior. Through the ramifications of the distributive trade, the Ashanti economy became linked with those of Europe and North Africa, responsive to the changing patterns of supply and demand in world markets."<sup>10</sup>

The strength of the Empire lay in its military and political organization enabling the State to maintain trade routes and markets and to collect customs duties from traders, and tribute from conquered territories. In the case of the Ashanti, these revenues sustained a large and elaborate empire. Its capital, Kumasi, had about 30,000 to 40,000 people and was surrounded by numerous villages specializing in producing food and manufactured goods for the urban requirements. The following quotation from Bowdich who visited Kumasi in 1817 shows how impressive a spectacle the Ashanti could put on for Europeans:

"Our observations en passant had taught us to conceive a spectacle far exceeding our original expectations; but they had not prepared us for the extent and display of the scene which here burst upon us. An area of nearly a mile in circumference was crowded with magnificence and novelty. The king, his tributaries, and captains were resplendent in the distance, surrounded by attendants of every description, fronted by a mass of warriors which seemed to make our approach impervious. The sun was reflected, with a glare scarcely more supportable than the heat, from the massy gold ornaments, which glistened in every direction. More

than a hundred bands burst at once on our arrival, with the peculiar airs of their several chiefs. The horns flourished their defiances, with the beating of innumerable drums and metal instruments, and then yielded for a while to the soft breathings of their long flutes, which were truly harmonious; and a pleasing instrument, like a bagpipe without the drone, was happily blended. At least a hundred large umbrellas, or canopies, which could shelter thirty persons, were sprung up and down by the bearers with brilliant effect, being made of scarlet, yellow, and the most showy cloths and silks, and crowned on the top with crescents, pelicans, elephants, barrels, and arms and swords of gold... The state hammocks, like long cradles, were raised in the rear, the poles on the heads of the bearers. The cushions and pillows were covered with crimson taffeta, and the richest cloths hung over the sides. Innumerable small umbrellas of various colored stripes, were crowded in the intervals, whilst several large trees heightened the glare, by contrasting the sober coloring of nature..."<sup>17</sup>

What the dynamic of Ashanti would have been is not known since its further development was frustrated by the expanding British empire which eventually defeated it. It is interesting to point out, nonetheless, one or two inherent tendencies which help delineate its organizational form more clearly. Even at its height, the Ashanti Empire seems not to have destroyed the egalitarian village subsistence economy which lay at its base. However, judging from the experience of other empires, it is not unlikely that through time this egalitarian base would have been eroded as land became concentrated in the hands of a few and society polarized into a small group which had wealth and a large group which did not. The free men, dispossessed of their land, through commercial or coercive processes would have become urban proletariat. At the same time, there were forces tending to create a local bourgeoisie, based on the accumulation of capital in foreign trade, who could

have hired labor for export production or even manufacturing. Thus the stage was set for a further development of the economic structure. Both these forces were kept in check by the traditional political structure which protected land rights and consciously inhibited the development of a commercial class by preferring to leave trade in the hands of foreigners who did not represent a threat to the existing power structure. Whether this system would have broken down through time and a new one emerged to replace it, remains a matter for speculation, since the system was never allowed to play itself out.

### III. Pre-Colonial Forms

The Pre-Colonial forms of economic organization played an important role in shaping the 20th century economic revolution in Ghana. This led to an export economy developed by relatively small-scale farmers, rather than by the owners of very large estates or plantations. Had the Ashanti empire remained intact, it might have undertaken large-scale land development, mining or manufacturing, possibly in co-operation with foreign investors. It certainly possessed a sufficiently large concentration of wealth and power to do so, though its reaction to the 19th century technological developments can only be a matter for speculation. In any case, its political and economic systems were effectively destroyed in the colonization process, and with it the possibility for a centrally controlled development.

The colonial government at one time considered the possibility of declaring

the right of eminent domain over what it regarded as vacant lands (a common practice in other colonies). Had it done so, it could then have made large tracts of land available to foreign investors for development, on a plantation basis, and Ghanaians would have participated in the export economy as laborers and not as capitalists.

Lord Lever, for example, wished to establish a modern agricultural estate in West Africa and attempted to gain a long-term concession of land which could then be developed on a large-scale basis. This, he stressed, would require a security of land tenure to match the capital intensity of the development program. He argued:

"If the government had offered us twenty-one days lease we might have been wise in bringing a wheelbarrow or two. On a twenty-one years lease we could go further, but, after all, it would be comparatively a very small amount of money that we would be justified, in expending holding only a twenty-one years lease..."<sup>18</sup>

Lever justified his request on the grounds that the existing system was not making full use of the rich hinterland and it was neither in the British nor the African interests to maintain inefficient land tenure systems which prevented growth.

("...I sometimes wish that all native chiefs in the British colonies, in Africa at any rate, were made dukes. In my opinion we should take the sensible view that this land was theirs for development and the advancement of civilization; and just as we will not tolerate a duke keeping hid land for his own pleasure, or to lock it up, and have passed laws that make this impossible in the United Kingdom, so I can never understand why a black man should be allowed to assume a different attitude and neither develop his own land nor allow other people to do so.")<sup>18</sup>

The Colonial Office refused Lever's request, perhaps because of its avowed policy to preserve native institutions in West Africa, and, to protect African interests -- at any rate, in Ghana. Furthermore, the Colonial Office was fully aware of the stiff native political resistance towards any attempt at interference with land ownership or mineral rights.<sup>19</sup> Land was a vital element in Ghana's society, and to take it away, Great Britain would have had to use considerably more violence than she could afford to.

Ghanaian land was therefore left in Ghanaian hands, and the land tenure arrangements of the export economy evolved out of traditional systems. Though there has been much discussion of the equity, efficiency and growth potential of this system, it has not, to any significant extent, been altered directly by government action. The advent of British law provided a modern basis for formalizing property relations, but decisions on its use were left in private hands.

Contrary to Lord Lever's conjectures, the tenure system in Ghana proved to be highly flexible, and the transfer of land from unproductive to productive uses was effected swiftly and efficiently. Since land was widely held, the market was competitive and the price low. Cocoa farmers were able to migrate from one area to another and to purchase land from those who had an excess supply, or rent it at low rates.<sup>20</sup> Similarly, but with less desirable consequences from Ghana's point of view, mineral rights were sold to Europeans competitively rather than monopolistically.

An important problem arose over the question of who was to benefit from

the sale of concessions. Belfield noted that the chiefs sometimes took the money for themselves, misappropriating funds for their own personal use.

"...Such fraudulent action has, however, been invariably resented by the tribe, and has resulted in the removal of the offender from the stool...As a general rule, therefore, and particularly in later years, the chiefs have been careful to effect the distribution of the proceeds in a manner comfortable to the rules of the tribe."<sup>21</sup>

This, of course, is partly beside the point, since the rules of the tribe applied to a very different economic situation, and their application in novel circumstances might have been constitutional without being desirable on grounds of either justice or economics.

Wages were high, since much of the population had access to land on which to grow food or export crops without paying high rent.

This set the opportunity cost of working in the cities, in the mines, or, on European plantations. The labor force therefore had to be drawn from the isolated regions in the north, which had no export crop of their own, and from the underdeveloped countries of French West Africa. Pace Lord Lever, the failure of European plantations was due far more to high wages than to insecurity of land tenure. Europeans (including the United Africa Company, a Lever subsidiary) were able to obtain land; what they were not able to do was to earn a profit at the going wage rate, or, to compete with Ghanaian farmers. Similarly, the mines found it difficult to pay the going wage.

If the easy access to land raised the supply price of unskilled labor, it also served to tap a great deal of entrepreneurial potential in the economy. Most Ghanaians in the forest area who wanted to establish a farm to produce



cocoa or food for sale, could easily do so because they had direct rights in the land and did not have to pay high rents. Once their own land was exhausted, they would have to buy or rent access land but, as noted above, efficient systems for doing so quickly developed.

As for the future, since there are no large, wealthy landowners, the government cannot finance growth by expropriating the wealth of the rich and directing an already mobilized surplus to new endeavors. There are no large concentrations of capital with which to finance development, and no large concentrations of wealth and power to inhibit it. A large potential surplus exists. To mobilize it, a government would have to organize the rural area where a strong tradition of political independence exists precisely because the surplus has not been appropriated. Ghanaians will have to invent new political processes, if they are to tap the resources of their country fully.

Finally, it is important to stress that the development of a colonial export economy tended to erode the egalitarian aspects of the traditional economy. The new forms of wealth, resulting from capital accumulation and education, created new possibilities for inequality of income. In the process, some became much richer than others, and the community became stratified accordingly. There was, and is, no mechanism for maintaining a balance among the new forms of wealth, corresponding to the balance in land ownership maintained by the traditional economy.

## FOOTNOTES

1. Prepared for the August, 1969, meetings of the Economic History Association. To appear in the June, 1970, issue of the Journal of Economic History.

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2. There is a vast literature on the structure of traditional subsistence economies. The following have had a special influence on the formulation of this paper:

- (1) H. G. Jones, The Earth Goddess: A Study of Native Farming on the West Coast. Longmans, 1936.
- (2) S. Amin, "The Class Struggle in Africa." Revolution, No. 3, November, 1963.
- (3) C. Meillassoux "Essai d'interprétation du phénomène économique dans les sociétés traditionnelles d'auto subsistance." Cahiers D'études Africaines, Decembre, 1960.
- (4) A. Rotstein, "A note on the Surplus Discussion," American Anthropologist, Vol. 63, No. 3, June, 1961.
- (5) K. Polyani, The Great Transformation, p. 47.

On land tenure systems see:

- (1) H. Belfield, Report on the Legislation Governing the Alienation of Native Lands in the Gold Coast Colony and Ashanti, H.M.S.O., Cmd. 6278 (1912).
- (2) Division of Agricultural Economics Staff. "Report on a Survey of Land Tenure Systems in Ghana." Ghanaian Bulletin of Agricultural Economics, Vol. 2, No. 1 (March, 1962), 1-15.

- (3) Liversage, V. Land Tenure in the Colonies. Cambridge: Cambridge University Press, 1945.
3. H. G. Jones, The Earth Goddess.
  4. A. Smith, The Wealth of Nations.
  5. R. A. Mauny, "The Question of Ghana," Africa, Vol. XXIV, 1954.
  6. See for example, I. Wilks, "A Medieval Trade Route from the Niger to the Gulf of Guinea," Journal of African History, Vol. III, No. 2. Also, "The Mawde Loan Element in Twi," Ghana Notes and Queries, (Jan/June 1962) pp. 26-28. O. Davis, West Africa Before the Europeans, (Methuen and Co. Ltd., 1967) pp. 287-290. N. Levtzion, Muslims and Chiefs in West Africa, Oxford, 1968, pp. 5-9. Paul Ozanne, "The Early Historic Archaeology of Accra," Transactions of the Historical Society of Ghana, Vol. VI, 1963, pp. 67. J. D. Fage, "Some Remarks on Beads and Trades in the Sixteenth and Seventeenth Centuries." The Journal of African History, Vol. III, No. 2 (1962) pp. 343-347.
  7. I. Wilks, seminar at the Institute of African Studies, University of Ghana, 1963-64.
  8. S. Harrop, "The Economy of the West African Coast in the 16th Century" The Economic Bulletin of Ghana, Vol. VIII, No. 4 (1964) p. 24.
  9. J. D. Fage, An Introduction to the History of West Africa, Cambridge: Cambridge University Press, 1955, p. 54.

10. I. Wilks, The Northern Factor in Ashanti History (Accra: University of Ghana, Institute of African Studies, 1961).
11. Pieter de Matees: A Description and Historical Declaration of the Golden Kingdom of Guinea otherwise called the Golden Coast of Myna (1602), taken from Freda Wolfson: Pageant of Ghana, (London, University of London Press, 1958), p. 56, as quoted by Astrid Nypan, Market Trade: A Sample Survey of Market Traders in Accra (Economic Research Division, University College of Ghana, 1960).
12. J. Barbot, Description of the Coasts of North and South Guinea (London, 1746).
13. Jack Goody, "The Over-Kingdom of Gonja" in Forde and Kaberry, ed, West African Kingdoms in the 19th Century, International African Institute, 1967.
14. K. Y. Daaku, Trade and Politics on the Gold Coast: 1640-1720, Unpublished PhD Thesis. London, 1964, p. 41.
15. I. Wilks, "The Rise of the Akwamu Empire 1650-1710," Transactions of the Historical Society of Ghana, Vol. III, part 2 (Achimota, 1957) p. 130.
16. I. Wilks, "Ashanti Government" in Forde and Kaberry, ed., West African Kingdoms in the 19th Century, International African Institute, 1967. See also his "Aspects of Bureaucratization in Ashanti in the 19th Century," The Journal of African History Vol. VII, No. 2 (1966) and A. Boahen, Topics in West African History (Longmans, 1966) pp. 69-76 for further references to Ashantis.

17. T. Edward Bowdich, Mission from Cape Coast to Ashanti (London, 1819)  
pp. 34-37.
18. Quoted in Wilson, The History of Unilever, Incomplete.
19. An excellent account of early colonial policy on land tenure can be found  
in David Kimble, A Political History of Ghana 1850-1928, Oxford: Clarendon  
Press, 1963.
20. Polly Hill, Migrant Cocoa Farmers of Southern Ghana. " Africa, 31, 3 (1961),  
209-230.
21. H. Belfield, Report on the Legislation Governing the Alienation of Native  
Lands in the Gold Coast Colony and Ashanti, H.M.S.O., Cmd. 6278 (1912).