



# African History through the lens of Economics

## Questions and Answers - Week 9

**Special Lecture 11, Wednesday, March 30:** Colonial Concessions *with Giorgio Chiovelli, and Sara Lowes*

Please visit our course [website](#) to access the recorded lectures and slides of each session. Due to the high volume of questions received during the live Q&A, we have prepared this document, which addresses a selection of questions that were not possible to answer during the lecture.

### **1. What factors led to the rise of colonial private concessions and companies?**

This question falls under the general economic motives behind the Scramble for Africa and its subsequent partition. Vladimir Ilyich Lenin ranks as the foremost exponent of this Marxist economic and political thought. As a theorist, Lenin interpreted and amplified the teachings of Karl Marx and contributed several concepts to Communist doctrine. Chief among these contributions was his theory of imperialism as the highest, final, decadent stage of capitalism. The rise of colonial private concessions and companies in Africa was part of the conquest of Africa by European countries. In fact, Lenin, attributed the outbreak of the First World War in 1914 to economic warfare among major European powers. The advent of the Industrial Revolution in the 18<sup>th</sup> century created a demand for natural resources and Africa became a source of tobacco, palm oil, coffee, cotton, cocoa, minerals and so on. This led to trading companies such as Unilever establishing operations in West Africa (in Unilever's case, to tap into the palm oil used in its soap-making business). Africa was also viewed as resource to supply raw materials to industries which had emerged in Europe. Manufactured wares from Europe such as cloth and soap were in turn to sold on the African continent by European business people. Concession companies eventually began to acquire land from the local people through various means, including dubious treaties and warfare.

Europeans had money and sought areas where they could invest in order to reap more profits. It was in this context that many of the concession companies emerged, beginning operations in Africa long before 1800. The discovery of diamonds in 1867 in Kimberley and gold around the Witwatersrand in 1886 in South Africa led to the Mineral Revolution as many thousands of people from Europe rushed to the country to try to make their fortunes. The South African Mineral Revolution impacted the rest of southern Africa and led to the eventual colonisation of the region by British financial interests. One of the earliest capitalist entities to emerge in South Africa as a result of the discovery of gold and diamonds was De Beers Consolidated Gold Mines, which was later bought by a British national, Cecil Rhodes, who had migrated to Cape Town for health reasons. Rhodes, who was to serve as Prime Minister of the Cape Colony from 1890 to 1896, soon founded his own company, the British South Africa Company (BSAC), and became a mining magnate in the region, intent on building a railway line from the Cape to

Cairo for economic reasons. It was the BSAC which would eventually colonise today's territories of Zimbabwe, Zambia and Malawi, which were later transferred to the British Crown (Gann, 1964; Gann, 1965).

## **2. Is there evidence that private concessions used different production or extractive techniques from the ones previously used by the local people?**

Hochschild (2006), is the main source of information for this question.

Violence and forced labour were the main means through which natural resources were obtained. In the case of Congo Free State, one of the worst historical episodes of large-scale colonial violence, officials murdered local people to instil fear into them in order to meet rubber quotas demanded by the concession companies. When a village or district failed to supply its quota of rubber or fought back against the regime, *Force Publique* soldiers and rubber company "sentries" often killed everyone they could find (Hochschild, 2006: 226). In 1896 German newspaper *Die Kölnische Zeitung* published, on the authority of "a highly esteemed Belgian", news that 1,308 severed hands had been turned over to the notorious District Commissioner Léon Fiérez in a single day (Hochschild, 2006: 226).

Africans could also be starved of food as a way of forcing them to collect rubber. As news of the terror in Congo Free State spread, hundreds of thousands of people fled their villages. In retaliation, soldiers seized their animals and burned their huts and crops, leaving them without food. This pattern was established even before the rubber boom of the early 1900s, when Leopold's soldiers were looking primarily for ivory, and for porters and food for themselves. As villagers fled these expeditions, they sometimes abandoned small children for fear that their cries would give away their hiding places.

Forced labour as a means of production was also widespread in all colonies in Africa in other sectors, such as mining and agriculture.

## **3. How long did the concession companies last in Africa? What happened to their relationships with the new governments after independence?**

There is no single answer to this question. Many concession companies disappeared during the colonial period in different circumstances, with or without trace, while some continued to exist even after independence. Others changed shareholders, corporate names and so on. Yet others were liquidated, sold off or merged with other companies at different times.

The relationship between post-colonial governments and concession companies cannot be said to have been uniform throughout the continent. Some new post-colonial governments took a lead in the companies' operations through nationalisation. An example of this is the nationalisation of the copper mines owned by Roan Selection Trust and Anglo-American Corporation in Zambia six years after the country gained independence from Britain. The government accused the mining companies of exporting all their profits to Europe (Sardanis, 2015) and took a 51% share in the mining companies, while the previous owners had held 49%.

In Zimbabwe the major concession was owned by the BSAC. Prior to independence, its business was merged with the Central Mining and Investment Corporation Ltd and the Consolidated Mines Selection Group Ltd into the mining and industrial business of Charter Consolidated Ltd (Wikipedia). In the 1980s the company disposed of its overseas mining

concerns to concentrate on its British engineering interest. In 1993 Charter Consolidated Ltd changed its name to Charter PLC (Wikipedia).

#### **4. In what ways have concession companies directly or indirectly influenced Africa's land policies?**

Patterns of land expropriation begun by concession companies during the colonial period have impacted African countries today. In many colonies, concession companies obtained land from African leaders through warfare and by enacting dubious agreements with traditional African leaders. These processes had an indelible impact on many countries and their effects persist today. Once land was appropriated by concession companies, they began to create so-called "native reserves" where many local people were relocated. The reserves were usually created in the most desolate regions of countries such as South Africa, Zimbabwe and Zambia, while the best lands were reserved for the settlement of Europeans.

Land has remained a thorny issue in South Africa and Zimbabwe and, to some extent, in Kenya. The issue took centre stage in these countries' struggles for political independence. As much as 93% of the best land in Zimbabwe and South Africa was set aside for the minority white population, while the majority black population shared the remainder. This land policy inhibited African peasant production and general socioeconomic development.

This legacy of land appropriation directly influenced the land policy in Zimbabwe and the general economic malaise we see there today. The main reason for the slow redistribution of land in the early days of post-independence Zimbabwe, aside from the constitutional constraints of the Lancaster House Constitution of 1979, was the lack of funds to finance the programme. Thus, not much had been done in terms of land redistribution by the early 1990s. In 1996 the government amended the Land Acquisition Act for various socioeconomic and political reasons. These included a debilitating drought, the negative effects of the Structural Adjustment Programme mandated by the Bretton Woods institutions, waning party-political fortunes, and failure to pay gratuities to war veterans (Bourne, 2011: 127). The amended Act empowered the government to designate large tracts of land for resettlement, thereby accelerating the rate at which land was identified for acquisition. Between 1992 to late 1997 and late 1997 to July 2000, the government embarked upon the Land Acquisition and Redistribution Programme (LARP) Phases I and II, respectively.

The Fast Track Land Reform Programme (FTLRP) Phases I and II ran from July 2000 and January 2001, respectively. What changed at a qualitative level over the decades was the method of acquiring land for redistribution and the range of beneficiaries (McCallum, 2006: 166). Behind the inequality and consequent poverty and lack of opportunities attributed to the land question lie issues of government mismanagement and a crisis of governance and leadership. By the mid-2000s the number of large capitalist farms, mainly white-owned, fell by around 75%, while there was a 16% drop in the number of large foreign and domestically owned agricultural estates (Mkodzongi and Lawrence, 2019: 1).

#### **5. Can the wealth obtained from concessions be traced in Europe? Did Europeans benefit from colonial concession companies' activities, and do they still benefit? Is there still a statue of King Leopold II in Belgium today?**

Yes, wealth obtained from various concessions in colonial Africa has helped to develop Europe. Their profits enabled the concessionaires to invest in various other economic activities (stocks, bonds, infrastructure, etc). Socioeconomic benefits still accrue to European countries through investments made in the 19<sup>th</sup> and 20<sup>th</sup> centuries as a result of dividends made from concessions in Africa. As an example of the unilateral nature of this activity, ships arrived in the port of Antwerp with cargoes of rubber and ivory from the Congo, but when the ships returned to Africa they carried only young men in military uniforms, firearms and ammunition. It is therefore evident that the Belgian colonists did not obtain the natural resources through trading activity in the Congo as little or nothing was exchanged in return.

Following the Berlin Conference of 1884-85 and subsequent treaties drawn up by European powers to partition Africa, Leopold appropriated Congo Free State for himself; the only colony claimed by one man. He was a much-admired ruler in Europe as he was regarded as a “philanthropic” monarch. People observed that he had welcomed Christian missionaries in his new colony and, in the first decade of his colonial rule, newspapers praised him for investing his personal fortune in public works to benefit Africans. This explains the erection of statues of Leopold in several places in Belgium.

In 1908 the Belgian government paid Leopold a sum of fifty million francs “as a mark of his great sacrifices made for the Congo” (Hochschild, 2006: 259), but these funds were not expected to come from the Belgian taxpayer: they were to be extracted from the Congo itself.

Even today, researchers do not know which of Leopold’s baubles were paid for out of which hidden pockets; nor is it possible to answer fully a larger question: how much total profit did he extract from the Congo in his lifetime? The Belgian scholar Jules Marchel, the leading historian of this period, makes a conservative estimate of 220 million francs, or \$1.1 billion dollars as at 1999, not including some smaller and hard-to-trace sources of money (Hochschild, 2006: 277).

While this was going on, underdevelopment characterised the Congo. One key negative outcome in areas where rubber was being exploited was that the birth rate plummeted. When men were sent into the forests in search of rubber for weeks at a time, year after year, and women were held hostage and half-starved, fewer children were born. Around Lake Ndombe district, a major rubber area, few or no children between the ages of seven and 14 could be found by the time Leopold stopped administering the country. This was attributed to the insecurity experienced in the area between 1896-1903 at the height of the brutality of concession-company officials on the ground in pursuit of rubber (Hochschild, 2006).

## **6. Can resistance to colonialism experienced in the 20<sup>th</sup> century be attributed to maltreatment during concession-company rule?**

The basic answer here is an emphatic yes. African nationalism, whether arising from resistance to pure private-concession companies or European colonising countries, can be classified into three phases: primary resistance, secondary resistance and post-Second World War nationalist politics (Davidson, 1989). Each of these phases had its own characteristics. Primary resistance occurred during the period of conquest and lasted until around the outbreak of the First World War. During this period, Africans resisted European intrusion into their traditional homelands. One of the greatest protestors of this era was Menelik II of Ethiopia, who resisted Italian occupation of his country and managed to repel the Italian forces at the Battle of Adowa in

1896 (Oliver and Atmore, 2006). Samori Toure led his Mandinka people in Mali and other parts of West Africa in repelling French colonising forces before 1890.

The Ndebele and Shona people also revolted against ill treatment by the BSAC officials in colonial Zimbabwe in 1893/94 and again in 1896/97. These revolts marked the beginning of the fight for independence in that country from British colonial rule, locally called the First *Chimurenga* (The First War Cry) (Mlambo, 2015; Beech, 1979, 1986).

During the phase of the secondary resistance, Africans protested against their treatment at the hands of colonial authorities once colonial rule had been formalised (including private-concession companies). Colonial ill treatment took the form of coerced labour, taxation, land alienation, racial discrimination and the colour bar. By this time the local people had also begun to form pressure groups to challenge the colonial state. Various uprisings took place to show this discontent, including the famous Chilembwe Uprising of January 1915 in Malawi. This came about due to the mistreatment of Africans at the Bruce plantation; about 40 protesters were executed by policemen in the revolt's aftermath and 300 others were imprisoned (McCracken, 2012).

The last phase, which began after 1945, witnessed the rise of purely nationalistic politics across the continent. In addition to the features of colonial rule that Africans protested against, the exposure to other parts of the world by African servicemen who had served in colonial armies during the war fuelled the fight for political freedom. By this time, Africans had formed political parties and trade unions, which acted as strong pressure groups in campaigning against continuing colonial rule by Western powers. African nationalist leaders also received a lot of support from the global Pan-African movement in pursuit of their objectives. Again, it was the maltreatment of the local people by concession companies and colonial powers that gave impetus to this fight, until the colonial powers began granting independence to African countries, most of whom had seceded by the late 1960s.

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