



African History through the lens of Economics

Questions and Answers – Week 8

Lecture 1: Colonization III. Decolonization and Early Independence, Tuesday 22 March

with Leonard Wantchekon

Lecture 2: Local Government and Tax Capacity, Wednesday 23 March

with Jutta Bolt and Leigh Gardner

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.

TUESDAY LECTURE – Leonard Wantchekon

Q1. In which political variables do urban protest countries rank higher than rural insurgency countries?

As we saw in the 2013 Wantchekon and García-Ponce paper, countries that experienced peaceful independence movements are more democratic today. The main outcome variable in the paper is “democracy level” in the Polity IV and Freedom House databases (which we discussed in the Friday session). Beyond this, Wantchekon and García-Ponce (2013) show that the same pattern also holds for GDP per capita. The paper further shows that countries that experienced rural insurgency are also more likely to experience attempted coups and armed rebellions, but less likely to experience demonstrations and workers’ strikes. The interested reader is encouraged to examine the relationship between rural insurgency and other variables available in the Polity IV database for themselves. The Polity IV database is available [here](#); the peaceful-violent classification by country is available in the slides.

Q2. Please explain the methodology you used to associate democracy and insurgency in Africa

This is another great question that deals with a major challenge of empirical research in social sciences; the problem of classification. Following Leonard Wantchekon Tuesday’s lecture, the coding of rural insurgency versus urban protests is based on an in-depth review of historical events in order to code each country as having a legacy of either rural rebellion or urban protest. In the coding process the authors used the following criteria: (i) at least one anti-colonial revolt took place between 1900 and the year of independence; (ii) the rebel group originated in a rural area or the country’s periphery; (iii) the goal was independence or regime change; (iv) guerrilla-like tactics were employed during the conflict; (v) the estimated death toll was at least 1,000. If these conditions are met, the rural insurgency variable is coded as 1, and 0 otherwise.

Q3. How does the Wantchekon and García-Ponce study deal with the possible confounding variable of later repression?

There are many potentially confounding factors that could contaminate the Wantchekon and García-Ponce results. There are two common approaches to dealing with these kinds of confounding factors in the econometrics literature. The first, which is the least preferred nowadays, is the “control” approach,

where the researchers try to control for as many different variables as possible. In the Wantchekon and García-Ponce (2013) paper, the authors controlled for a long list of geographic and colonial variables, as well as GDP, population, ethnic and religious fractionalisation, and pre-colonial institutions.

However, based on the econometrics literature, the preferred approach is to find a source of “exogenous variation” that, based on the theory, is associated with both the independent variable of interest (rural insurgencies during independence in this case), but which is not correlated with any other variable (confounding factors). In the same authors’ Critical Juncture paper of 2013, this variable is “rough terrain”. The authors argue (and show) that “anti-colonial movements in countries covered by mountains, jungle, or other types of terrain irregularities may have exploited the peculiarities of their geography by adopting guerrilla-like tactics. Opposition movements in countries where the terrain is rather flat would have found it unfeasible to organize themselves as violent rebel groups and hence decided to fight colonialism by conducting mass protests and implementing other strategies of peaceful dissent, such as the creation of clandestine newspapers, civic associations, and underground political organizations, among others.” Nonetheless, a required assumption is that “rough terrain” is uncorrelated with any other factors that could affect the level of democracy today, other than via the type of independence movement channel (the exclusion restriction). To better understand the 2SLS method and causal inference, see the [lecture notes](#) based on Wooldridge’s Introductory Econometrics book.

Q4. Why are the urban and rural outcomes regarding democracy different, even though countries/areas experiencing them both had insurgencies?

This is a key question that highlights the importance of understanding the particular mechanism beyond the statistical relationship. The question goes directly to the discussion about how the type of insurgency affects the current political regime. Based on Wantchekon and García-Ponce’s 2013 Critical Juncture paper, “anti-colonial rural insurgencies may have generated exclusive institutions immediately after independence, reflecting the “zero-sum” nature of violent conflicts, whereas urban protests may have generated inclusive constitutional arrangements, reflecting the broad diversity of mass movements”. Another potential mechanism discussed in the paper is that violent insurgencies during independence legitimated the use of violence in later periods, and thus made political violence and civil wars more likely. On the other hand, a peaceful independence movement led to the emergence of civil society and inclusive institutions. The [Acemoğlu and Robinson \(2016\) paper](#) discusses the issue of extractive versus inclusive institutions further. (Professor James Robinson will be among the guest speakers in week 11.) An excellent discussion on the type of insurgencies’ historical path-dependent development is available in [Dell \(2012\)](#).

Q5. Why did socialism eventually fail to take root in Africa?

This is an interesting and important question. Socialism in Africa underwent a deep crisis in the mid-1980s. All socialist states were in dire economic straits. Most were still struggling unsuccessfully to create the political institutions they thought necessary for socialism to become rooted in society. The internal difficulties of the African socialist countries were compounded by the pressure put on them by Western governments and Western financial institutions to abandon socialist policies in favour of a free-market approach to economic development. An increasing number of regimes complied with these requests, hard-pressed by mounting debts and needing new loans. Among them were self-proclaimed Marxist countries such as Mozambique and Tanzania, which had long resisted the IMF conditions as anti-socialist measures. Further sources include [Lösch \(1990\)](#), [Scott \(2008\)](#) and [Landolo \(2012\)](#).

Q6. What role does education play in the success of democracy and the likelihood of a country becoming one?

This is another important question. A first place to start is the insightful 2007 paper by Glaeser et al. [Why does democracy need education?](#) The authors cite the strong cross-country correlation between education and democracy. Their paper discusses schooling, which teaches people to interact with others and raises the benefits of civic participation, including voting and organising. This increases the likelihood of successful democratic revolutions against dictatorships and reduces the likelihood of successful anti-democratic coups. However, other authors highlight the income channel, where a more educated society is associated with higher income, and this causes democracy.

Another insightful paper on the role of education in democracies is [From Education to Democracy?](#) by Acemoğlu et al. (2005). The authors examine the relationship between education and democracy empirically but do not identify a significant relationship. [Barro \(1999\)](#) argues (and shows econometrically) that primary education is the most important type of education for a thriving democracy.

WEDNESDAY LECTURE – Leigh Gardner and Jutta Bolt

Q7. Is there a comparable study that looks at former British colonies in Asia?

[Ewout Frankema and Anne Booth \(2019\)](#) wrote about financing colonial rule in Asia and Africa. In their book [Fiscal Capacity and the Colonial State](#), a team of leading historians, led by professors Anne Booth and Ewout Frankema, compared how more than 30 African and Asian colonial states set up their fiscal systems. Additionally, [Frankema \(2010\)](#) surveys the variety of colonial tax systems across 34 dominions, colonies and protectorates during the heyday of British imperialism (1870-1940), focusing on comparing colonial tax levels.

Q8. Was the colonial administration different in the French colonies from the British ones?

While both British and French used direct and indirect rule to control and manage their colonies (see [Lawrence \(2016\)](#) for a discussion), there were many other differences in their philosophy of colonialism. The British believed Africans were essentially different from Europeans and would stay that way. This point of view invited racism, implying that Africans were not just different but also inferior. The French, by comparison, were prepared to treat Africans as equals, but only if they learnt to speak French properly and adopted the values of French culture. If they reached a sufficient level of education, Africans might be accepted as French citizens. To fall below the required standard was to invite charges of racial inferiority. France encouraged an increasing closeness with its colonies before and after independence. Britain took the view that it would give limited support to its colonies as they moved into independence; for the British, independence meant being independent of Britain. Further discussion can be found in [Lee and Schultz \(2012\)](#) and [White \(1996\)](#).

Q9. In using tax revenue as an indicator for state capacity, what exactly is state capacity?

What economists usually mean by state capacity is the state's ability to levy taxes, support markets, implement policy, have the legal capacity to enforce the law and have the military capacity to protect the state from external threats. Further discussion can be found in [Besley and Persson \(2009\)](#) and [\(2010\)](#); [Acemoglu et al. \(2015\)](#); and [Gennaioli and Voth \(2015\)](#).

Q10. Why do we see such low tax compliance in African countries nowadays?

This is a very interesting question, with many potential explanations. For example, it could be because of distrust of the state, ethnic division, non-cohesive society and lack of national identity, or just lack of public goods provision, which reduces the willingness of citizens to pay tax. The ability of the state to



collect tax and monitor payment is also crucial. [Fjeldstad et al. \(2014\)](#) discuss the determinants of tax compliance in Africa. [Weigel \(2020\)](#) examines a field experiment randomising property tax collection across 356 neighbourhoods in Congo. [Manara and Regan \(2021\)](#) study the property market and taxation in Tanzania.

Datalinks from TA sessions

1. [Polity IV Website](#)
2. [Polity IV Data Page](#)
3. [ACLED Conflict Website](#)
4. [ACLED Codebook](#)
5. [UCDP Conflict Website](#)
6. [UCDP Conflict Codebook](#)
7. [UCDP vs ACLED paper](#)

Books mentioned in the TA session

1. [Amilcar Cabral, Resistance and Decolonization, 1977](#)
2. [Frantz Fanon, The Wretched of the Earth, \(1963\)](#)
3. [David Diop, At Night All Blood is Black, \(2018\)](#)
4. [James S. Coleman and Carl G. Rossberg, Jr. Editors, Political Parties and National Integration in Tropical Africa, \(1966\)](#)
5. [Michael Crowder, Editor, West African Resistance: The Military Response to Colonial Occupation, \(1971\)](#)
6. [Amber Murrey, A Certain Amount of Madness: The Life, Politics and Legacies of Thomas Sankara, \(2008\)](#)

References

- Acemoğlu, D., García-Jimeno, C., & Robinson, J. A. (2015). State Capacity and Economic Development: A Network Approach. *American Economic Review*, 105(8), 2364-2409.
- Acemoğlu, D., Johnson, S., Robinson, J. A., & Yared, P. (2005). From Education to Democracy? *American Economic Review*, 95(2), 44-49.
- Acemoğlu, D., & Robinson, J. A. (2016). Paths to Inclusive Political Institutions. In *Economic History of Warfare and State Formation* (pp. 3-50). Springer, Singapore.
- Barro, R.J. (1999). Determinants of democracy. *Journal of Political Economy* 107(S6): 158-183
- Besley, T., & Persson, T. (2009). The Origins of State Capacity: Property Rights, Taxation, and Politics. *American Economic Review*, 99(4), 1218-44.
- Besley, T., & Persson, T. (2010). State Capacity, Conflict, and Development. *Econometrica*, 78(1), 1-34.
- Dell, M. (2012). Path Dependence in Development: Evidence from the Mexican Revolution. Harvard University, mimeograph.
- Fjeldstad, O. H., Schulz-Herzenberg, C., & Hoem Sjursen, I. (2012). People's Views of Taxation in Africa: A Review of Research on Determinants of Tax Compliance. Available at SSRN 2411424.
- Frankema, E. (2010). Raising revenue in the British Empire, 1870-1940: how 'extractive' were colonial taxes? *Journal of Global History*, 5(3), 447-477.
- Frankema, E., & Booth, A. (Eds.). (2020). *Fiscal Capacity and the Colonial State in Asia and Africa, C. 1850-1960*. Cambridge University Press.
- García-Ponce, O. & Wantchekon, L. Critical Junctures: Independence Movements and Democracy in Africa. University of Warwick Working Paper 173, 2013/10/01.
- Gennaioli, N., & Voth, H. J. (2015). State Capacity and Military Conflict. *The Review of Economic Studies*, 82(4), 1409-1448.
- Glaeser, E. L., Ponzetto, G. A., & Shleifer, A. (2007). Why does democracy need education? *Journal of Economic Growth*, 12(2), 77-99.
- Landolo, A. (2012). The rise and fall of the 'Soviet Model of Development' in West Africa, 1957-64. *Cold War History*, 12(4), 683-704.
- Lawrence, A. (2016, May). Colonial Approaches Governance in the Periphery: Direct and Indirect Rule in French Algeria. In *Comparative Politics Workshop*. University of Chicago.
- Lee, A., & Schultz, K. A. (2011). Comparing British and French Colonial Legacies: A Discontinuity Analysis of Cameroon. In *APSA 2011 Annual Meeting Paper*.
- Lösch, D. (1990). Socialism in Africa. *Intereconomics*, 25(6), 300-306.
- Manara, M., & Regan, T. (2021). Ask a local: Improving public pricing in urban Tanzania.
- Scott, C. V. (1988). Socialism and the 'Soft State' in Africa: An analysis of Angola and Mozambique. *The Journal of Modern African Studies*, 26(1), 23-36.
- Weigel, J. L. (2020). The Participation Dividend of Taxation: How Citizens in Congo Engage More with the State When it Tries to Tax Them. *The Quarterly Journal of Economics*, 135(4), 1849-1903.
- White, B. W. (1996). Talk about School: education and the colonial project in French and British Africa (1860-1960). *Comparative Education*, 32(1), 9-26.
- Wooldridge, J. M. (2010). *Econometric analysis of cross section and panel data*. MIT press.