FINANCING THE AFRICAN COLONIAL STATE: FISCAL CAPACITY AND FORCED LABOR

Summary
Financing the Africa Colonial State (in progress) examines how African colonial states managed to build fiscal capacity under challenging circumstances. With metropolitan governments adhering to a doctrine of 'fiscal self-sufficiency' in the late nineteenth century, and few local opportunities to raise revenue, taxation was an existential concern for the newly founded colonial states in Africa. Based on a newly constructed public finance dataset that is comparable across time and space for nearly 30 British and French African colonies, the book scrutinizes contradicting narratives about colonial fiscal ambitions and identifies similarities and differences in colonizers' strategies to fiscal and state capacity building. By including the "invisible" component of colonial public finance in her analysis - the in-kind revenues that accrued to the state from forced labor practices – van Waijenburg shows that forced labor was at the heart of fiscal capacity building efforts in Africa. The focus on the role and magnitude of labor taxes not only sets her book apart from an expanding body of literature on historical tax systems, but also sheds new light on the multifaceted role of colonial labor coercion practices.

Table of contents

4. Estimating the Invisible Revenue

4.1 Labor revenues in a changing world order
4.2 The *prestations*
4.3 Corvée incidence in French Africa
4.4 Expected corvée value
4.5 Conservative estimates

5. Varying tax-payer experiences

5.1 Varying (labor) tax pressure
5.2 Abuse and violence
5.3 Female and child labor
5.4 Forced labor and local power structures
5.5 The dual face of the colonial state

6. Colonizer blueprints?

6.1 Colonizer differences
6.2 Centralization or decentralization
6.3 Growing blueprints?
6.4 The 'jackals' of Empire
6.5 European powers and the ILO

7. Fiscal transformations in the late colonial era

7.1 Fiscal development in wartime, 1940-1945
7.2 Abolishing the labor tax
7.3 Income taxes
7.4 Development aid
7.5 Trade and marketing boards

8. The fiscal aftermath

8.1 The political economy of taxation in post-colonial Africa
8.2 Crisis and debt accumulation
8.3 Structural adjustment
8.4 Fiscal recovery, c. 2005-present
8.5 Colonial fiscal legacies

9. The 'African path' to fiscal capacity building

9.1 Fiscal capacity building in a changing demographic context
9.2 New technologies, new opportunities
9.3 Africa's fiscal path in global comparative perspective
9.4 Building fiscal capacity in a colonial context
9.5 Conclusions

CHAPTER 2

TOWARDS A VIRTUOUS REVENUE CYCLE, C. 1890-1940*

"The complexity of the vested interests in the tax structure and their variation over time and geographical regions have made it a very difficult subject for generalization"

(Guyer 1980, p. 306)

2.1 Colonial rule and fiscal design: a dual face

The closing decades of the twentieth century were marked by recurrent episodes of political turmoil in Sub-Saharan Africa, raising questions about the ultimate causes of state fragility in the region. This research agenda was taken up with particular fervor by a number of historically oriented political scientists, who have provided sharply diverging interpretations about the relative importance of external European influence in shaping African state development, versus the role of structural internal conditions, such as demography and ecology. Not surprisingly, the evolution of revenue raising abilities occupies a central plays in these contrasting interpretations.

In what has become one of the most influential contributions on this topic, Jeffrey Herbst has argued that relative state weakness in Africa should ultimately be attributed to the continents' low population densities. Unlike in (Western) Europe, where central state power depended on rulers' ability to secure territorial boundaries and to finance this endeavor, the consolidation of power in Africa was less tied to controlling fixed geographical areas. Land abundance hampered

* The contents of this chapter were published in different form as: Ewout Frankema and Marlous van Waijenburg, "Metropolitan Blueprints of Colonial Taxation? Lessons from Fiscal Capacity Building in British and French Africa, c. 1880-1940", *The Journal of African History* 55, no. 3 (2014): pp. 371-400. The empirical foundations have been adjusted to fit the larger framework of the book and were at times further improved based on additional data.

the fiscal capture of subjected peoples in the hinterlands, as they could opt out of the state by moving further from the center of power, raising rulers' marginal costs of collecting revenue. Since low levels of agricultural productivity made land less valuable in the first place, they were relatively more expensive to control over large distances. In many areas, such unfavorable conditions for territorial control were further aggravated by the continent's limited infrastructure and the absence of wheeled transportation, which made long-distance travel slow and costly. The challenges of taxation and broadcasting authority in hinterlands, combined with few bordering and hostile rival powers, fostered polities that operated less on the logic of controlling labor and commercial flows rather than land. As a result, pre-colonial states systems were often separated from each other by fluid frontier regions that were financially not worth controlling.

Under European rule, the African colonial states became based on a more geographically fixed conception of statehood. Although the delineation of formal boundaries marked at least a nominal departure from earlier state formation processes, Herbst sees few meaningful differences in practice. With few external resources at their disposal, the incipient colonial administrations faced similar barriers to raising revenue and broadcasting power in regions distant from the state capitals and commercial centers as pre-colonial political elites had. To avoid the inhibitive costs of establishing full-fledged hegemony, Herbst argues that colonial state building ambitions in Africa remained modest at best, creating few "impressive institutions for collecting revenue".[1] In this view, initial revenue raising challenges thus not only shaped Europeans' limited ambitions for colonial state development, but the minimal efforts themselves came to determine the scope of fiscal capacity building efforts. Unable to meaningfully alter the constraints posed by Africa's

[1] Herbst, *States and Power in Africa*, p. 116

demographic and ecology parameters, European influence on African state formation processes remained therefore limited.

Other scholars have also underlined the modest imperial ambitions for ruling Africa, including its fiscal institutional development. Frederick Cooper has drawn a direct line from Africa's post-colonial 'gate-keeper' states to their colonial predecessors, as both were confronted with the challenges of "extending their power" and having "trouble collecting taxes".[2] The remarkably low ratio of European administrators to indigenous subjects, the so-called 'thin white line', is often invoked as the ultimate reflection of the limited reach of African colonial states, making the colonial project "one great confidence-trick" and a "huge game of white man's bluff".[3]

Such accounts of minimal efforts and capabilities stand in stark contrast with portrayals of African colonial governments possessing near-absolutist power, including the ability to extract resources and tax as they pleased. Especially the recent studies by economists that try to establish the institutional persistence of European rule are rife with such assumptions. For example, Daron Acemoglu, Simon Johnson, and James Robinson's seminal 'colonial legacies' study explicitly maintains that colonial powers established "authoritarian and absolutist states" in Africa, for the sole purpose of "solidifying their control and facilitating the extraction of resources."[4] Nathan Nunn has pushed this one step further, by supposing that European colonizers would simply "choose a high enough level of extraction" upon arrival, rendering African agency virtually non-

---

[2] Cooper, *Africa since 1940*, p. 156

[3] Kirk-Greene, A. "The Thin White Line: The Size of the British Colonial Service in Africa." *African Affairs* 79, no. 314 (1980): p. 44.

[4] Acemoglu, Johnson, and Robinson, "The Colonial Origins of Comparative Development: An Empirical Investigation," p. 1375. The authors point explicitly to in the extractive nature of fiscal institutions the (absolutist) colonizers set up in the non-settler colonies. The authors provide examples of fiscal extraction in the Belgian Congo, British Northern Rhodesia, and French Tunisia and Dahomey (which they slightly selectively derived from Young, *African Colonial State* and Manning, *Francophone Sub-Saharan Africa*).

existent.[5] It is worth noting that these studies often differentiate little between the formal era of colonization and the preceding centuries of (slave) trading, perceiving both periods as predicated on the same principles of Western dominance, and which resonates an earlier strand of literature on European responsibility for African 'underdevelopment' and economic dependence.[6]

Such emphasis on the strength of African colonial states, their revenue-maximizing logic, and the historically disruptive implications of European rule, has been articulated in somewhat more nuanced terms by historians and political scientists as well. Mahmood Mamdani, for one, has argued that British African tax schemes were built on incentive structures that were prone to corruption. Under this aspect of indirect rule's 'decentralized despotism,' a "pervasive revenue hunger" would have governed at all levels of authority, translating into taxes and fees on "anything that moved."[7] Finn Fuglestad, in turn, has described French colonial rule in Niger as "potentially despotic and arbitrary", it being based on legal provisions that allowed Europeans to "tax the resources of Africans at will", giving them a virtual "license to plunder".[8]

The strength and invasiveness of imperial rule is also underlined in Crawford Young's comparative study on the construction of 'the' African colonial state; an abstract political entity he metaphorically refers to as 'Bula Matari' – the name that was used by the inhabitants of the

---

[5] Nunn, Nathan. "Historical Legacies: A Model Linking Africa's Past to Its Current Underdevelopment." *Journal of Development Economics* 83, no. 1 (2007): p. 159

[6] Walter Rodney, *How Europe Underdeveloped Africa*. (London: Bogle-L'Overture Publications, 1972); Emmanuel Wallerstein, *The Modern World System III: The Second Era of Great Expansion of the Capitalist World-Economy, 1730s-1840*, and *The Modern World System IV: Centrist Liberalism Triumphant, 1789-1914* (Berkeley: University of California Press, 2011).

[7] Mamdani, *Citizen and Subject*, p. 56. Such revenue farming incentives of colonial tax systems are acknowledged by other scholars as well. See for example: Catherine Coquery-Vidrovitch, "French Colonization in Africa to 1920," p. 191, and "French Black Africa." In: *The Cambridge History of Africa, Volume 7: From 1905-1940*, edited by A. Roberts, (Cambridge: Cambridge University Press, 1986), p. 347-349; and Makgala, "Taxation in the Tribal Areas of the Bechuanaland Protectorate, 1899-1957", p. 287;

[8] Fuglestad, Finn. *A History of Niger, 1850-1960*. (Cambridge: Cambridge University Press, 1983), p. 82.

Belgian Congo to refer to state officials, and meaning 'breaker of rocks'.[9] Young's repeated descriptions of Bula Matari's "imposing demonstration of extractive capacity" also resonate the image of a near-absolutist colonial state bent on maximizing revenue. Invoking Fuglestad's "laconic observation" of how the French "were able to squeeze more than a million francs out of the impoverished and hunger-stricken peoples of Niger", Young argues that this fiscal 'accomplishment' is "of much broader application".[10] Such depictions of the coercive face of African colonial tax regimes are further underlined by accounts of heavy colonial tax burdens and the violent suppression of tax revolts.[11]

The focus on high extraction *levels* is not the only way in which historians and social scientists have assigned colonial governments a substantial degree of agency in imposing their fiscal will. The frequent emphasis on certain *types* of taxes as deliberate colonial policy choices also assumes a colonial state willing and able to chose fiscal tools as it saw fit. It is widely held by historians of Africa that the imposition of direct 'native taxes' was to accomplish a range of policy objectives. For one, a direct capitation levy would have been a powerful, if not essential, way to consolidate political hegemony in the new territories. Additionally, by creating a broad-based need for cash to meet one's tax obligation, native taxes would have served the dual aim of monetizing the predominantly subsistence economies, and pushing the indigenous population on the emerging colonial wage labor markets. More broadly, the head taxes were intended to further

---

[9] The term originally refered to the early explorer of the Congo basin, Henry Morton Stanley, marking "his prowess in overcoming obstacles." See: Anstey, Roger. "The Congo Rubber Atrocities -- A Case Study." *African Historical Studies* 4, no. 1 (1971): p. 64n15.
[10] Young, *African Colonial State*, p. 129.
[11] Abraham, "Bai Bureh, The British, and the Hut Tax War"; Conklin, *A Mission to Civilize*, p. 144; Falola, Toyin. *Colonialism and Violence in Nigeria*. (Bloomington: Indiana University Press, 2009), pp. 79-130; Northrup, David. *Beyond the Bend in the River: African Labor in Eastern Zaire, 1865-1940*. (Athens, Ohio: Ohio University Center for International Studies, 1988).

the educational objectives of the 'civilizing mission', creating a 'governable' subject that would be ready to take on the new responsibilities of modern industrious life.[12]

It is not surprising that such alternative policy objectives have flourished prominently in discussions about colonial taxes. Official colonial correspondence and contemporary reports are filled with references to such policies and intentions. What is remarkable though, is that little to no attempt has been made in this extensive body of historical scholarship, whether emphasizing a fiscally weak or coercive colonial state, to ground interpretations about the degree of extraction and the relative importance of different kinds of fiscal instruments in an solid empirical basis.[13] This neglect is even more astonishing considering that sufficient historical sources exist to do so.

In recent years, however, a rapidly expanding strand of literature on African colonial tax systems has seriously advanced the necessary quantitative foundations to test opposing accounts against the historical record. These new studies are part of a larger 'renaissance' of quantitative African economic history, and their datasets are shedding new light on the fiscal ambitions of African colonial states.[14] Especially the contributions by Leigh Gardner and Ewout Frankema on comparative fiscal development in the British Empire speak directly such questions. According to both Gardner and Frankema, the public finance choices that were made in British Africa lend

---

[12] Bush and Maltby, "Taxation in West Africa", p. 7, Conklin, *A Mission to Civilize*, p. 144; Catherine Coquery-Vidrovitch (1977), "French Colonization in Africa to 1920: Administration and Economic Development." In: *Colonialism in Africa 1870-1960. Volume 1: The History and Politics of Colonialism 1870-1914*, edited by L.H. Gann and P. Duignan (Cambridge: Cambridge University Press), p. 171; John Iliffe, *A Modern History of Tanganyika* (Cambridge: Cambridge University Press, 1979), p. 133; Mamdani, *Citizen and Subject* p. 54; Reid, *A History of Modern* Africa, p. 146; C.C. Wrigley, "Aspects of Economic History." In: *The Colonial Moment in Africa: Essays on the Movement of Minds and Materials, 1900-1940*, edited by A. Roberts (Cambridge: Cambridge University Press, 1992), p. 125; Young, *African Colonial State*, p. 129.

[13] This is not to say that no tables or supporting statistics have been provided in these studies at all. Young, amongst others, has several tables with colonial tax data (e.g. pp. 128-133 and 172-175), but as is further explained in section 2.2, these figures fall short in meeting the requirements for engaging in systematic comparisons.

[14] Austin and Broadberry, "Introduction: The Renaissance of African Economic History."

little support for the notion that African colonial states sought to maximize revenue or to impose interventionist fiscal regimes.[15]

There are good reasons though, to be cautious about the generalizability of these findings for British Africa. Britain's apparent preference for 'minimizing effort' at the expense of higher tax yields is consistent with their imperial ideology of governance through indirect rule, but may be less applicable to territories under control of European powers that favored more direct forms of colonial rule. Such diverging fiscal experiences would be in line with a long-standing cross-disciplinary literature that has not only emphasized different metropolitan approaches to empire building, but that has also pointed to identifiable institutional legacies of colonizer identity.[16] In other words, it is not unreasonable to think that colonial tax systems would have carried distinct 'metropolitan blueprints'. As such, the exclusive *within* colonizer focus of 'new fiscal history' of Africa thus still limits the scope of the conclusions that we can draw about African colonial tax strategies.

The most logical step forward is to conduct a comparison of fiscal development in British and French Africa. Together these two powers had the largest presence on the continent, ruling over 75 percent of the colonized territories and 78 percent of the African population.[17] Moreover, Britain and France's contrasting preferences for indirect versus direct rule – governance style preferences that existed at least in theory – have long been at the center of discussions about varying imperial ideologies.[18] A comparison of these two colonizers comparison would thus not

---

[15] Frankema, "Raising Revenue in the British Empire" and "Colonial Taxation and Government Spending in British Africa"; and Gardner, *Taxing Colonial Africa*.
[16] Bertocchi and Canova, "Did Colonization Matter for Growth?"; Crowder, *West Africa under Colonial Rule*; Gifford and Louis, *France and Britain in Africa*; and La Porta et al. "The Quality of Government."
[17] These percentages refer to the colonized areas of Sub-Saharan Africa in 1930, and thus exclude Ethiopia, Liberia and the current countries that were controlled by South Africa (Lesotho, Swaziland and Namibia).
[18] F. Lugard, *Dual Mandate in British Tropical Africa* (Edinburgh: W. Blackwood, 1923).

only generate broad-based 'stylized facts' of African colonial public finance, but also shed light on questions about metropolitan differences and similarities

2.2 A cross-colonizer comparison

Historical studies on taxation lend themselves in principle well for comparative work, as the units of analysis tend to be relatively homogenous across the different units of observation.[19] To compare government revenue and expenditure *levels* within and between colonizers, we need a public finance series that is *spatially and temporally consistent.* In short, we need figures that 1) are weighted by population; 2) that are expressed in the same currency; 3) that have been corrected for price inflation; and 4) that capture the same components of the colonial revenue base. On all four dimensions there are challenges to constructing such a cross-colonizer public finance database, but which can be accommodated for British and French Africa with some additional data work.

The first, and widely shared, problem for economic historians working on colonial African is that of inaccurate colonial population figures. It has long been acknowledged that colonial population estimates are plagued by 'guesstimates', and likely have wide margins of error.[20] For many places, the official colonial data underestimates the total African population, as demographic surveys failed to incorporate all inhabitants living in the hinterlands. The more

[19] Relative to other more qualitative social scientific concepts, such as 'state power' or 'social capital', the meaning of most fiscal categories is not substantially different in country x or y. This is not to say there are no challenges in measuring taxation, even with perfect data, but the relative homogeneity lends itself well to comparative work.

[20] R. Kuczynski, *Demographic Survey of the British Colonial Empire. Volume I: West Africa* (London: Oxford University Press, 1948) and *Demographic Survey of the British Colonial Empire. Volume Ii: East Africa* (London: Oxford University Press, 1949); C. Martin, "Population Census Estimates and Methods in British East Africa." In: *Essays on African Population*, edited by K. Barbour and R. Prothero, 7-16 (London: Routledge, 1961); and R. Gervais and I. Mandé, "Comment Compter Les Sujets De L'empire? Les Étapes D'une Démographie Impériale En Aof Avant 1946." *Vingtième Siècle. Revue d'histoire* 95 (2007): 63-74.

rural interior regions were often difficult to reach, which complicated the task of completing a population count in a timely manner. Since African colonial governments generally did not have enough bureaucratic manpower to conduct the census taking on their own, part of this task was often delegated to local authorities, and the accuracy of demographic data thus depends critically on their cooperative spirit. Both chiefs and inhabitants, however, had incentives to avoid being counted, as tax liability and labor obligations were closely linked to census taking efforts.[21] As a result, the figures that were provided by local indigenous leaders may be well below the actual number of residents. But for some regions the demographic data are overestimations. Especially for the late nineteenth and early twentieth centuries, when control of the territories was far from complete, colonial population estimates were often too high, reflecting metropolitan optimism about the number of "industrious and workable people" the colonies were expected to count.[22]

Considering such sources of upward and downward biases, and the impossibility of determining how large these error margins may have been, colonial population figures are likely too problematic to express many economic concepts in per capita terms for the first half of the twentieth century. Fortunately though, a number of African economic historians have made steps toward improving the demographic record for this period in recent years. The basic idea behind their revised population estimates is to take the first year for which relatively reliable census figures exist, which in Sub-Saharan Africa was usually not until the 1950s or 1960s, and to then extrapolate backwards from these benchmark years on the basis of demographically plausible growth rates.[23]

---

[21] Kuczynski, *Demographic Survey of the British Colonial Empire. Volume I: West Africa*, pp. 390-399.
[22] Green, E. (2012), "On the Size and Shape of African States", *International Studies Quarterly* 56: 231.
[23] Patrick Manning, "African Population. Projections 1850-1960." In: *The Demographics of Empire: The Colonial Order and the Creation of Knowledge*, edited by K. Ittman, D. Cordell, and G. Maddox, pp. 245-275 (Athens: Ohio University Press 2010); and Ewout Frankema and Morten Jerven. "Writing History Backwards or Sideways:

Table 2.1: African population in 1921 in colonial population censuses and revised estimates

	colonial census (thousands)	FJ estimates (thousands)	under-estimation	over-estimation
AEF total	2,851	3,354	15.00%	
Bechuanaland	153	232	34.01%	
Cameroun	3,000	2,951		1.66%
Côte d'Ivoire	1,546	1,595	3.07%	
Dahomey	842	1,277	34.04%	
Gambia	211	187		12.47%
Gold Coast	2,298	3,338	31.15%	
Guinée	1,876	1,638		14.51%
Haute Volta	2,973	2,685		10.72%
Kenya	2,574	3,801	32.29%	
Madagascar	3,382	2,696		25.45%
Mauritanie	262	441	40.54%	
Niger	1,084	1,447	25.07%	
Nigeria	18,631	21,245	12.30%	
Northern Rhodesia	984	1,536	35.98%	
Nyasaland	1,202	1,834	34.48%	
Sénégal	1,225	1,619	24.34%	
Sierra Leone	1,541	1,238		24.52%
Soudan	2,475	2,181		13.48%
Togo	670	846	20.82%	
Uganda	2,922	3,227	9.45%	
Total	52,702	59,368	11.23%	

Sources: The colonial population estimates in this table were derived from the *Annuaire Statistique Française* 1923, p. 364; and from the *Statistical Abstract for the Several British Overseas Dominions and Protectorates*, 1928, p. 3. The revised estimates are based on Frankema and Jerven "Writing History Backwards or Sideways".

Table 2.1 below shows both the colonial and adjusted population estimates for the census year of 1921. Whereas for some colonies the error marginal was relatively small, such as in Cameroun or Côte d'Ivoire, the over- and underestimations are substantial for other places. Evidently, these new population figures remain open to debate and to further fine-tuning.

Towards a Consensus on African Population, 1850–2010." *Economic History Review* 67, no. 4 (2014): 907–31. Note that Fuglestad makes similar observations about implausible implied population rates for Niger. See: *A History of Niger*, p. 83.

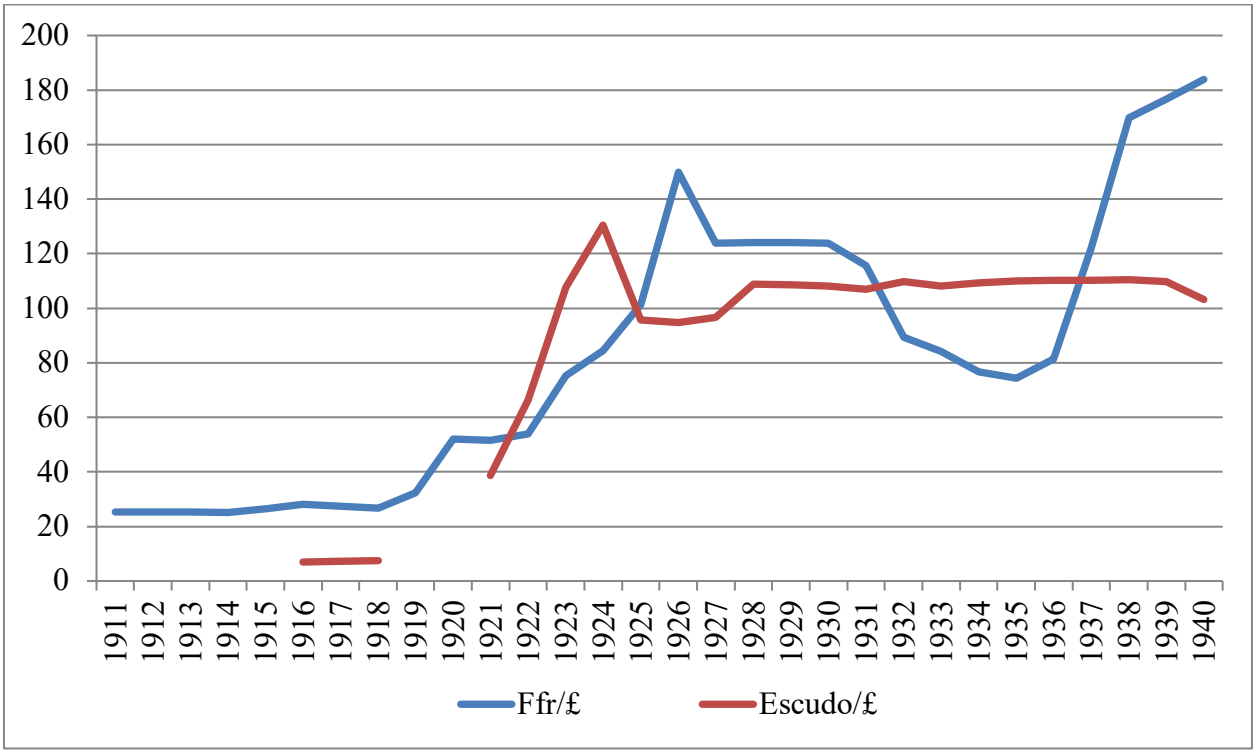
Whereas this approach works for example relatively well at the colony-level, it does not solve the problem of regional population estimates, and for which many African economic historians are still have to rely on the ones provided by colonial governments.[24] Despite such continued limitations, these adjustments are a constructive and creative step forward, and strengthen our confidence in the results that follow from working with them. In this study (especially chapters 2 and 5), I will rely on the revised demographic data that have been provided by Ewout Frankema and Morten Jerven, and to which I made additional adjustments to correct for changes in colonial borders. Further details about these adjustments and an overview of all population figures used for the main benchmark years in the study can be found in appendix 2 and table A2.1.

A second difficulty in constructing a British-French colonial public finance series resides in the currency conversion problem that plagues the inter-war period. Although the gold standard had provided great price stability since the 1870s, European governments temporarily abandoned it after 1913 to facilitate war financing. Different war-induced rates of inflation in the aftermath of the war, however, led to great exchange rate volatility in the 1920s, and meant that a return to gold at pre-war rates was undesirable, if not unfeasible for most countries.[25] Only Britain, who considered the reinstatement of $4.86 to the pound a matter of 'national honor', decided to return to gold at pre-war parity, overvaluing the pound. France, in contrast, returned at a fifth of its pre-war rate, undervaluing the franc.[26] As illustrated in figure 2.1, the varying rates at which

[24] See for example: Huillery, "History Matters".
[25] One of the few exceptions here being Britain, who considered maintaining their pre-war rate of $4.86 to £1.00 a matter of 'national honor'. Not only did this decision lead to an overvalued currency, it also meant that the British needed to follow deflationary monetary policy (to depress the price level), resulting in unemployment and contraction.
[26] B. Eichengreen. *Golden Fetters. The Gold Standard and the Great Depression, 1919-1939* (Oxford: Oxford University Press, 1992), p. 188 (especially table 7.1).

countries went off and back on gold led to the exchange rate instability in the 1920s and 1930; a pattern that also applied to the Portuguese escudo.

Figure 2.1: Exchange rates French franc and Portuguese escudo with British pound, 1911-1940



Source: Lawrence H. Officer, "Exchange Rates Between the United States Dollar and Forty-one Currencies," MeasuringWorth, https://www.measuringworth.com, accessed May 24 2017.

To compare revenue *levels*, all tax data needs to be expressed in a single currency. Using the official exchange rate, however, may have a distortionary effect, reflecting the tumultuous macro-economic conditions in the metropolitan centers instead of colonial governments' local cost-structures. Interwar currency instability therefore complicates cross-colonizer comparisons, and may have been one of the reasons why they have not been carried out before. However, there are ways to mitigate the potential currency conversion biases. One solution is to construct a government 'purchasing power parity' (PPP), and use this as the basis of conversion for an

alternative pound-franc 'exchange ratio'. The main intuition behind this approach is to create a standardized basket of 'goods' that colonial states consumed, and to divide the average price of that basket in the French African colonies by that of the British ones. Doing so will yield an exchange rate that better approximates the changing local expenses of colonial administrations.

Since the lion's share of colonial expenditure went to the remunerations of government personnel, the most suitable price basket is one based on a selection of such salaries. As can be seen in table 2.2, the consumer price index that was constructed for this study is based on four categories of indigenous government employees: lower level clerks and teachers, carpenters and unskilled workers. Annual salaries of clerks and teachers were selected to capture the costs of administrative personnel, whereas wages that were paid to carpenters and unskilled laborers were taken to reflect the costs of blue-collar labor. Appendices 1, 3, and 4 contain more detailed discussions of the sources and matching principles that were used for the construction of the government PPPs, but two further remarks are in place.

First, due to data availability limitations, the average clerk and teacher salaries were based on a sample of three West African colonies. This empirical basis should be sufficiently accurate for the purpose of this study though, as fairly homogenous pay scales operated in the colonial bureaucracies. The average expenses on artisanal and unskilled labor, however, for there was substantial inter-African greater variety, were based on the wages for all of the individual colonies included in the comparison.[27] Second, for as far as I am able to tell, the wage and salary data that I retrieved for this exercise, seems to be unparalleled in comparability, consistency and

[27] Note that this approach of taking all colonies' wages for unskilled and artisanal is a deviation from the *Journal of African History* paper. See for the 'East-West' divergence in British African wages: Frankema and van Waijenburg, "Structural Impediments to African Growth?"

overall quality among other colonizers, and therefore lends further support for a British-French focus.

Table 2.2 lists the constructed PPPs and the corresponding franc-pound exchange rates for six benchmark years that are maintained throughout this study. The choice for these specific benchmarks was not random, and follows the logic of earlier colonial tax studies.[28] Although tax efforts began well before 1911, 'pacification' efforts were still ongoing in many parts of Africa. According to Catherine Coquery-Vidrovitch, the "regular collection of taxes" had only become the norm in all parts of French Africa on the eve of the First World War.[29] The first benchmark thus captures the earliest moment for which we can work with comparable units of analysis. The years 1920 and 1925 and 1929, were selected to get an impression of the fiscal situation in the immediate aftermath of the war and the ensuing period economic recovery. The benchmarks of 1934 and 1937 were taken to assess the effect of the Great Depression on colonial public finance. Table 2.2 reveals that for some years, such as 1911, there is little difference between the two conversion measures. This is exactly what we would expect to see for the pre-1913 period, in which the gold standard ensured price stability, and the close results strengthens faith in the PPP approach and its matching criteria. However, as highlighted by the conversion gaps for the benchmarks of especially 1920 and 1925, which are in the order of 100%, the regular exchange rate is likely to have distortionary effect in the interwar era of great monetary volatility in the mother countries. Although the PPP method is not a perfect solution, it substantially improves our ability to conduct accurate cross-colonizer comparisons.

---

[28] Frankema, "Raising Revenue in the British Empire", p. 452; Gardner also roughly maintains these benchmarks, *Taxing Colonial Africa*.
[29] Coquery-Vidrovitch, "French Black Africa," p. 336.

Table 2.2: Government PPPs in British and French Africa

	Government employee/worker	British Africa £	French Africa *fr.*	PPP	XR fr/£
1911	Indigenous clerk/*commis*	50.00	1,500	30.00	
	Indigenous teacher/*instructeur*	50.00	1,800	36.00	
	Carpenter/*charpentier*	37.39	1,213	31.58	
	Unskilled worker/*manoeuvre*	11.24	342	29.89	
	Weighted PPP (FA/BA)			**32.22**	**25.10**
1920	Indigenous clerk/*commis*	55.00	1,500	27.27	
	Indigenous teacher/*instructeur*	56.00	1,950	34.82	
	Carpenter/*charpentier*	57.67	1,692	29.23	
	Unskilled worker/*manoeuvre*	24.34	510	20.97	
	Weighted PPP (FA/BA)			**28.10**	**52.02**
1925	Indigenous clerk/*commis*	67.00	3,500	52.24	
	Indigenous teacher/*instructeur*	60.00	3,500	58.33	
	Carpenter/*charpentier*	51.39	2,432	47.32	
	Unskilled worker/*manoeuvre*	16.74	723	43.22	
	Weighted PPP (FA/BA)			**50.28**	**101.30**
1929	Indigenous clerk/*commis*	56.67	6,150	108.52	
	Indigenous teacher/*instructeur*	60.00	7,400	123.33	
	Carpenter/*charpentier*	44.98	4,308	95.79	
	Unskilled worker/*manoeuvre*	15.80	1,332	84.26	
	Weighted PPP (FA/BA)			**102.98**	**124.02**
1934	Indigenous clerk/*commis*	72.00	6,400	88.89	
	Indigenous teacher/*instructeur*	72.50	8,363	115.34	
	Carpenter/*charpentier*	34.67	4,355	125.62	
	Unskilled worker/*manoeuvre*	10.65	1,384	129.89	
	Weighted PPP (FA/BA)			**114.94**	**76.70**
1937	Indigenous clerk/*commis*	80.00	6,975	75.54	
	Indigenous teacher/*instructeur*	92.33	8,500	106.25	
	Carpenter/*charpentier*	36.68	4,126	112.48	
	Unskilled worker/*manoeuvre*	12.12	1,265	104.31	
	Weighted PPP (FA/BA)			**99.65**	**122.18**

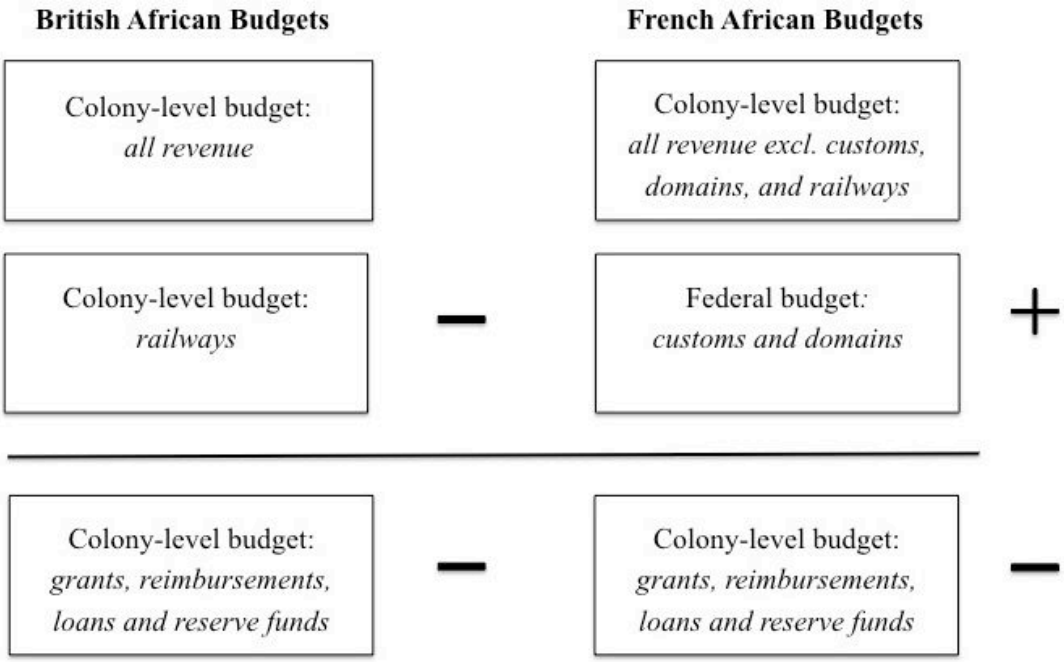
An additional advantage of constructing government PPPs is that the baskets can also be used to deflate the nominal government finance series. This helps to solve the third problem of expressing government series in real terms on the basis of a local consumer price index (CPI). Whereas relative good and consistent price data exists for a range of goods in British Africa, similar price observations are unfortunately absent for most of the pre-WWII era for French Africa. As is, many African economic historical studies now use a metropolitan CPI to correct for colonial price inflation, and while this may be a defensible approach, the development of a more locally based measure is a broader methodological a step forward.[30] Moreover, using a CPI that reflects *government* expenses is more appropriate for the development of *state* purchasing power.

The final step that needs to be taken to make the British and French public finance series comparable concerns the different ways in which the respective budgets were organized. As illustrated in figure 2.2, where the British public finance statistics report all collected revenue in a single budget report, the French used a multilayered system to arrange the colonies government finances. In the French colonies, the finances of larger public work projects (the *grand travaux*), such as railways and ports, had their own separate budgets and these expenses and revenues were therefore not included in the 'regular' individual colony budgets. To make the British and French revenue bases comparable, such public works revenues from thus either need to be added to the French budgets, or deducted from the British ones. For this study, which is concerned with the

[30] Gardner, *Taxing Colonial Africa*, p. xv; Huillery, "The Black Man's Burden", p. 12n13. The approach of using government personnel as the basis for deflating revenue was taken by Frankema, "Colonial Taxation and Government Spending in British Africa", but still relies on domestic (British) salaries, p. 139

development of *tax* revenue raising capacity, I opted to remove the railway receipts from the British budgets.[31]

Figure 2.2: Reallocation of government revenue shares



The most important difference in public finance reporting, however, is caused by the fact that twelve French African colonies were part of a larger federal structure.[32] This had

[31] Note that this is a deviation from the approach that was taken in the *Journal of African History* variation of this paper, and that this affects the numbers for certain colonies substantially, as railways receipts could be around 30 per cent of the total revenue base. More generally speaking, it should be pointed out that it is difficult to determine how much net revenue the railways contributed to the government budgets, as they were often an equally large, if not larger, expenditure post. This is of course true for most revenue posts (customs receipts are also balanced by expenditures on the collection agencies), but the relative revenue-expenditure ratios of the railways were especially large. An alternative way of including railway revenues could be to only take the railways' profits, but with ongoing capital outlays in the period under consideration, these cannot easily be separated. A final consideration for whether to include or exclude railway receipts is in some colonies railways were privately owned whereas in others they were government operated. Including gross railway revenues would thus inflate the budgets of those colonies where they were public assets. Moreover, some railways were initially government property and later on private property, which leads to significant shocks in price series. There are arguments in favor and against including them, and the most appropriate approach depends on the relevant research question. My focus on *tax* revenues makes inclusion of railways receipts less suitable.

implications for the fiscal organization of these colonies, as all the indirect revenue that was derived from external trade, were was automatically siphoned off to the federal budget, and do not appear in the colony-level budgets. These trade-based revenues constituted about 90% of the federation's income, and were used to cover collective expenses, and provided financially struggling colonies with subsidies.[33]

In order to create a public finance database that is based on the same components, we thus need to reallocate the customs and domains receipts, and the federal subsidies for the French colonies that were part of a federation. Figure 2.2 illustrates the basic computation that was done: the trade revenues that each territory had contributed to the federal budget were returned to the colony-level budgets, and the subsidies that were received from the federation were subtracted. Additionally, to only reflect the *locally* raised revenue of African colonial states, metropolitan grants-in-aid, subsidies, loans, reimbursements and withdrawals from the reserve funds were subtracted as well. Further details about the underlying sources can be found in appendix 1, and further details about the construction of the public revenue series are documented in appendix 5.

2.3 How much was collected?

Based on the revised population estimates, the constructed government PPPs, and the adjusted public revenue figures, it is now possible to directly compare the revenue yields in British and

---

[32] Frederick Cooper points out that the term 'federation' to refer to the political organization of the AOF and the AEF is in fact technically incorrect and describes these structures as "administrative units" See: Frederick Cooper, *Citizenship between Empire and Nation: Remaking France and French Africa, 1945-1960* (Princeton: Princeton University Press, 2014), p. 21. I will maintain the term 'federation' though for practical purposes.

[33] Crowder, *West Africa under Colonial Rule*, p.179 documents how the federation became an increasingly powerful entity in West Africa in the early 1900s, including in public finance matters; Coquery-Vidrovitch, "French Black Africa," pp. 336-337, notes that the political organization of the Equatorial African federation was more hierarchical than its West African counterpart.

French Africa. Figures 2.3a-b depict the Gross Public Revenue (GPR) per capita levels for 1925 in constant 1911 pounds for all colonies, grouped first by colonizer (figure 2.3a) and second by coastal access (2.3b). Table 2.3 shows GPR per capita levels for all of the benchmark years for various sub-regions in both regular and population-weighted averages. All nominal revenue data can be found in tables A5.1-A5.6 in appendix 5.

Several observations stand out from these figures and tables. First, there were dramatic differences in revenue yields, both across and within British and French Africa. Where colonial economic powerhouses like Sénégal and the Gold Coast were able to raise over £0.60 per head in 1925, a substantial number of colonies was unable to collect even a quarter of that amount. Such public revenue disparities seem to have been particularly large in French Africa, where the five territories of Tchad, Niger, Haute Volta, Oubangui-Chari and Mauritania each raised less than £0.10 per inhabitant. As a result, the gap between the higher and lower end fiscal performers was much larger in the French territories: ratio of roughly 1:13 in French Africa (Tchad-Sénégal) versus 1:5 (Nyasaland-Gold Coast) or 1:6 (Nyasaland-Gambia) in British Africa.

Above all, these large gaps underline the great variation that existed in local opportunities for raising revenue. As illustrated in figure 2.3b, tax revenue remained especially limited in the landlocked colonies, where both British and French colonial governments struggled often well into to 1930s to develop their economic potential. Table 2.3 shows that average revenue yields in the coastal colonies were more than a factor 3 larger than those in the landlocked territories until the late 1930s, and about two times larger when weighing the averages for population.

Figures 2.3a-b: GPR per capita levels in 1925, grouped by colonizer and by location (1911£)

Figure 2.3a: GPR per capita levels in 1925 by colonizer (1911£, British in red, French in black)

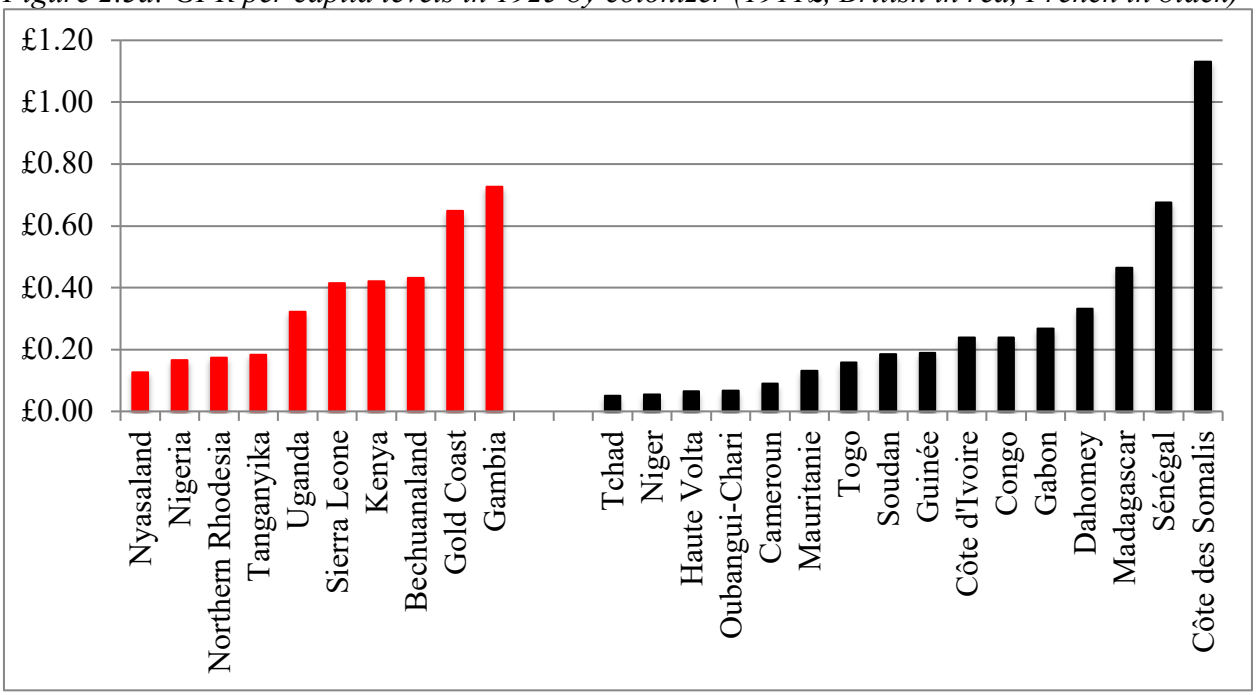
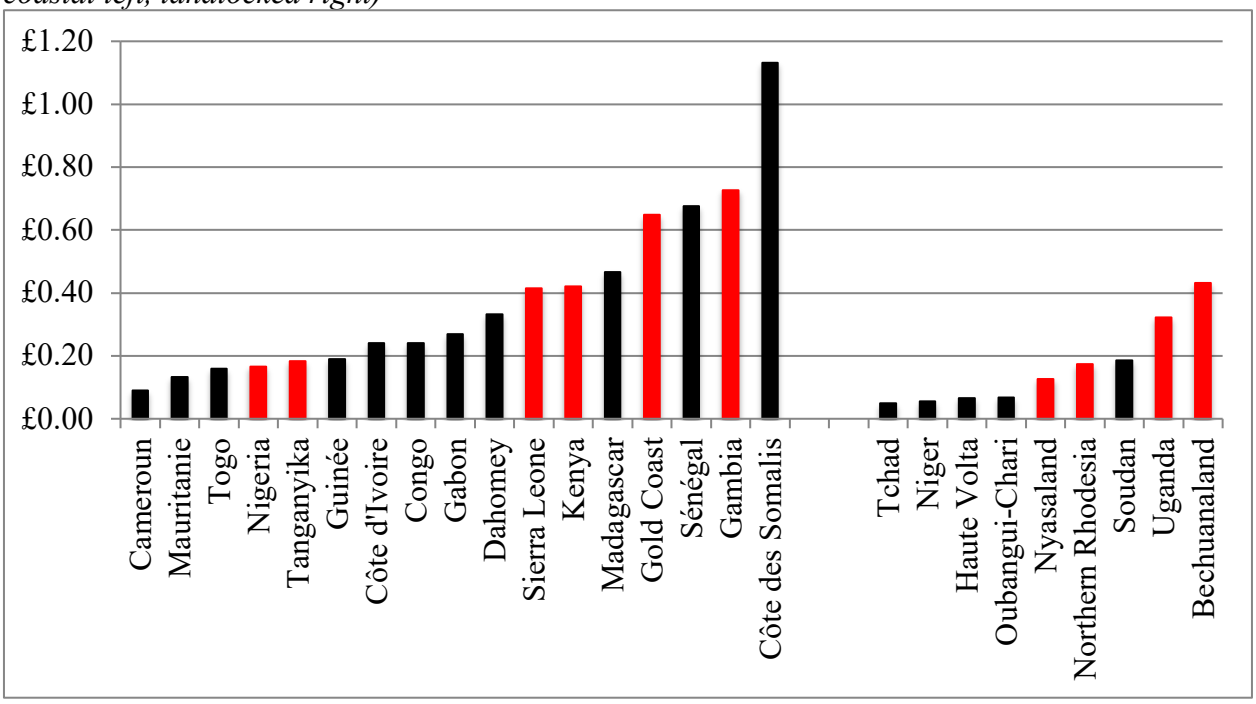


Figure 2.3b: GPR per capita levels in 1925 by location (1911£, British in red, French in black; coastal left, landlocked right)



Sources: See appendices 1 and 5.

That said, a few qualifications are in place here, as geography did not necessarily imply 'destiny'. Some places, like Bechuanaland or Uganda, were much better able to escape to the fiscal poverty traps associated with being landlocked than others. By the mid-1920s, these two colonies managed to realize per capita tax yields (£0.43 and £0.32 respectively) that were closer to the coastal average (£0.52, and £0.28 weighted), than that of the landlocked areas (£0.16 and £0.15 weighted). In similar vein, such deviations were visible among coastal colonies as well. In 1925, GPR per capita levels in Cameroun (£0.09) and Mauritanie (£0.13) were still below the landlocked average.

A second pattern that stands out is that, with the exception of Nigeria, the poorer British colonies seem to have primarily been located in East Africa, whereas the less affluent French territories seem to have been more evenly spread throughout Africa. The divergent Nigerian pattern is largely driven by the colony's large population, which totaled about 30 percent of the entire population of the British and French colonies below the Sahara, and which is responsible for the large differences between the regular and population weighted averages in table 2.3.[34] As a result of the exceptionally large denominator, Nigeria also remained a comparatively 'low' per capita revenue performer, standing out from the general British West African pattern.

The combination of persistently larger revenue gaps and their more even regional spread helps to explain France's preference for organizing their African colonies in a more hierarchical federal structure. As discussed in the previous section, both the West and Equatorial French African federations, pooled resources and could thus fulfill a redistributive function, lifting the poorer colonies up with subsidies from the collective federal jar. Both federations seem to have had several territories that may have proven fiscally unviable without this overarching layer of

[34] Note that this figure refers to the colonies included in this study, and thus excludes British Sudan and Somaliland.

protection: Tchad, Niger, Haute Volta, and Oubangui-Chari each only raised at most 55 percent the amount of revenue that was collected in Britain's poorest colony, Nyasaland.

Table 2.3: Average GPR per capita levels by colonizer and regions (in 1911£)

	GPR per capita (constant 1911£)					
	1911	1920	1925	1929	1934	1937
All	0.25	0.45	0.41	0.50	0.43	0.48
All (pop-weighted)	0.14	0.27	0.25	0.32	0.24	0.27
BA	0.34	0.57	0.48	0.55	0.48	0.48
BA (pop-weighted)	0.14	0.27	0.26	0.32	0.24	0.28
BWA	0.29	0.63	0.49	0.56	0.43	0.48
BWA (pop-weighted)	0.15	0.28	0.24	0.29	0.20	0.22
BEA	0.13	0.22	0.28	0.32	0.27	0.34
BEA (pop-weighted)	0.08	0.17	0.27	0.34	0.27	0.34
FA	0.18	0.39	0.36	0.48	0.40	0.48
FA (pop-weighted)	0.14	0.27	0.20	0.26	0.21	0.20
AOF	0.13	0.23	0.23	0.31	0.22	0.19
AOF (pop-weighted)	0.13	0.23	0.23	0.30	0.22	0.20
AEF	0.12	0.16	0.16	0.30	0.27	
AEF (pop-weighted)	0.07	0.11	0.10	0.18	0.17	
Coastal	0.33	0.63	0.52	0.64	0.53	0.57
Coastal (pop-weighted)	0.17	0.33	0.28	0.35	0.26	0.28
Landlocked	0.09	0.13	0.16	0.18	0.17	0.23
Landlocked (pop-weighted)	0.06	0.11	0.15	0.19	0.18	0.21

Sources: see appendices 1 and 5
Notes: the abbreviations used in this table refer to British Africa (BA), British West Africa (BWA), British East Africa (BEA), French Africa (FA), French West Africa (AOF), and French Equatorial Africa (AEF).

A third observation is that despite France's more geographically dispersed and larger share of fiscally struggling colonies, there was still a significant difference between the overall revenue yields of French West Africa (AOF) and French Equatorial Africa (AEF). To examine these discrepancies, we should focus on the population-weighted averages in table 2.3, as the regular GPR averages for the AEF are inflated by a disproportional weight of the economically

successful, but less populous colonies of Gabon and Congo. No meaningful differences between the weighted and non-weighted averages exist for the AOF. The population-weighted figures reveal that until the mid-1920s, French West Africa was able to collect more than twice the per capita revenue than Equatorial Africa did. This contrast is, with the exception of first benchmark year, much larger than the difference between British West and British East Africa.

The prolonged economic struggles of Equatorial Africa, the "Cinderella of the empire", have been well documented, as the metropolitan government was repeatedly forced to transfer significant subsidies to keep the territory financially afloat.[35] It was not until the second half of the 1920s that region's economic fortunes changed, resulting in a near doubling of per capita public revenue between 1925 and 1929. As illustrated in figure 2.4, the take-off lumber exports, especially of okoumé, was an important driver of this boom.[36] Although okoumé production had already grown significantly in the pre-war years, it reached record heights and growth from the mid-1920s onwards.

Despite the acceleration of export production in the 1920s, the AEF did not catch up yet with the other parts of French and British Africa, still raising only little over half the revenue in 1929. However, the region's relative insulation from the world markets also shielded it from to a greater degree from the effects of the Great Depression.[37] The global economic downturn resulted in a significant decline in public revenue in all areas, but West Africa was hit especially

---

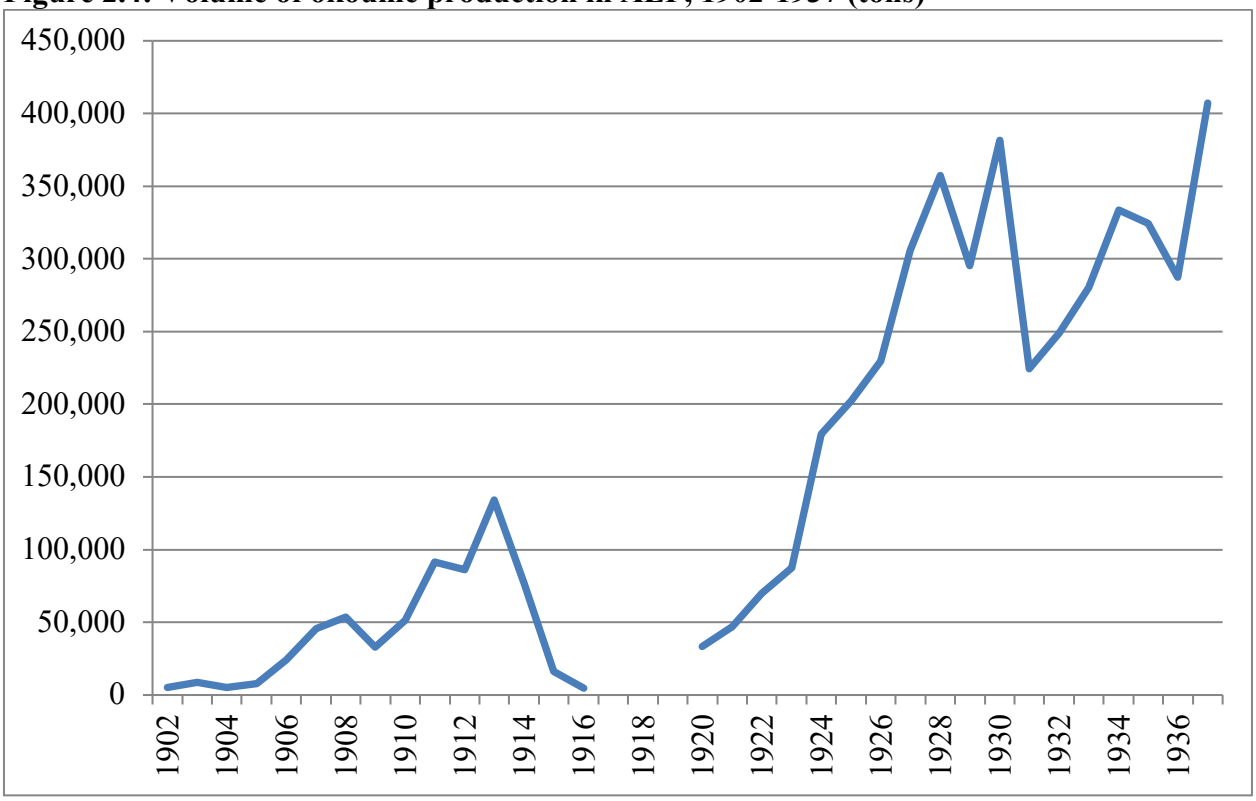
[35] Coquery Vidrovitch "French Colonization in Africa to 1920," p. 190; and "French Black Africa", pp. 342, 368.

[36] C.J. Gray, *Colonial Rule and Crisis in Equatorial Africa: Southern Gabon, c. 1850-1940* (Rochester: University of Rochester Press, 2002). This was complemented by the expansion of cotton, which expanded from 2 to 5,385 tons of fibre in 1935. Jean Goudal, "Agricultural Development and Indigenous Labour in the French Colonies of Tropical Africa." *International Labour Review* 209 (1939): p. 221. The late 1920s also saw increased efforts to develop cocoa and palm production in Gabon and the Congo. Coquery Vidrovitch, "French Black Africa", p. 380.

[37] Although it was shielded to a greater effect from the Great Depression, and export volumes had grown, other financial concerns plagued the region in the 1930s. With growing obligations to repay loans it remained difficult for the Equatorial colonies to avoid budget deficits, and it remained dependent on metropolitan aid. More on this in section 3.2.

hard by the collapse of prices for export commodities. Between 1929 and 1934, per capita GPR fell by 27 percent in French West Africa and by 32 percent in British West Africa. Where public revenue declined by a significant order of magnitude in British East Africa as well – 20 percent – the total French Equatorial African budgets only fell by six per cent.

Figure 2.4: Volume of okoumé production in AEF, 1902-1937 (tons)



Source: Annuaire Statistique de l'Afrique Equatoriale Française, tableau VI, p. 120

African colonies tried to offset the decline in export revenues by maintaining volumes as much as demand allowed. Between 1928 and 1934, exports from French West Africa rose from 3,048 to 3,135 thousands of tons, but the total *value* of these volumes declined by more than 50 percent, from 5,343 to 2,280 millions of francs.[38] To counterbalance severe budget deficits in the

[38] AOF, annuaire statistique 1933-34, p. 61, Chapitre IX, Tableau I

crisis years, colonial governments both slashed spending and enhanced revenues by draining the reserve funds; funds that had been built up in better years to smooth consumption in lean years, and which according to Gardner had been "high on every colony's list of fiscal priorities".[39] In French Africa, a large colonial loan scheme that had been approved by French Parliament in 1931, and which was originally intended for public works investments, also ended up as a means to balance budgets.[40]

By the late 1930s, most colonies in British Africa were on the road to recovery from the decade's earlier economic crisis, and government revenue yields largely reached (BEA) or started to approach pre-depression levels (BWA). French West Africa, however, seems to have suffered from a longer effect of the economic downturn, as per capita revenue levels did not come close to reaching the 1929 peak, sticking to attainments that were even below those of the mid-1920s. Contemporaries already recognized the strong impact of the Great Depression on the AOF, noting that while this had "afflicted all West Africa", it had only "reached the severity of a crisis" in the French West African territories.[41]

How each of the individual Equatorial colonies fared in 1937 cannot be traced, as the colony-level was dismantled in 1934, turning what had previously been the federal level into the single political entity governing the region. Despite the relatively mild impact of the economic depression, the persistently low yields in the inland colonies of Tchad and Oubangui-Chari, in combination with improved infrastructure, made administering them separately cost-inefficient:

---

[39] Gardner, *Taxing Colonial Africa*, p. 6.
[40] Coquery Vidrovitch, "French Black Africa", p. 381.
[41] E.J. Arnett "Economic Conditions in French West Africa." *Journal of the Royal African Society* 34, no. 137 (1935): p. 434.

> For a country of three million inhabitants this system was far too complex, but it was demanded by the vast extent and varied conditions. Now that the railway has been completed and fine roads link the farthest outpost with the capital, the inevitable simplification has taken place. By a decree dated June 30th, French West Africa is to be a single colony under the authority of the Governor-General who will reside at Brazzaville as depositair des pouvoirs de la Republique française. This reorganisation, it is estimated, will effect an immediate saving of fifteen million francs.[42]

All in all, despite notable catch-up in the 1920s, the greater number of poorly performing territories in French Africa lends some support for the idea that the British had been pickier during the scramble for Africa, largely focusing on the economically more promising territories. As the world's imperial and military powerhouse of the day, Britain not only had the means to lay claim to the more desirable territories, but they also had the incentives to do so. With a vast Empire in which 'the sun never set', the British were more at risk of spreading their resources for global hegemony too thin. France's ambitions, in contrast, of using its Algerian foothold to develop a vast and geographically connected African empire, meant they had greater stakes in securing large stretches of territory, including economically less promising regions. The disproportional number of fiscally unviable regions in French Africa documented here seem to affirm Jane Burbank and Frederick Cooper's portrayal of Britain securing Africa's "plums", while France had ended up with dry hinterlands and a few "choicer morsels along the coast".[43]

---

[42] "Editorial Notes", *Journal of the Royal African Society* 33, no. 133 (1934): p. 420. Suret-Canale attributes this "suppression of budget autonomy" to the region's continued dependency on metropolitan subsidies. See: *French Colonialism in Tropical Africa 1900-1945*, p. 342.

[43] J. Burbank and F. Cooper, *Empires in World History: Power and the Politics of Difference* (Princeton: Princeton University Press, 2009), p. 315.

2.4 What was taxed?

Where a comparison of *levels* can tell us something about the relative success of colonial states' fiscal capacity building efforts, we need take a closer look at the *sources* of government revenue to evaluate claims about the 'intentions' of colonial tax systems. Does the source composition of colonial revenue point to fiscal strategies that aimed to maximize extraction at the expense of minimizing intervention? Does the relative incidence of direct capitation levies support the claim that native taxes were an indispensable instrument for realizing other colonial policy objectives? And finally, does a comparison of the underlying revenue sources reveal any colonizer-specific approaches to taxation?

As discussed in chapter one, the kinds of taxes that colonial governments could impose in Africa were more limited than in many other parts of British and French empires. With little developed formal markets, a lack of monetization, few pre-existing forms of land taxation, and other property taxes on the ownership of human labor being ideologically inacceptable, colonial administrations were effectively left with two main options: the imposition of direct native 'head' taxes and the collection of indirect taxes on international trade. The relative incidence of these two forms of taxation can tell us something about the willingness of colonial officials to impose a more or a less interventionist fiscal regime.

As listed in table 2.4, the direct native taxes, which were present in most colonies, came in different variants. Some interesting differences and similarities existed in the form they took on in British and French Africa. The British generally opted for a native tax that targeted, at least in name, the head of a household. The so-called 'hut taxes' consisted of flat fee on each 'native dwelling' to which the owners of were liable. In places where polygamy was common, however, this form of taxation became supplemented with a 'plural wives tax', as to "prevent the crowding

of women in a single dwellings," a common mode of tax evasion.[44] Only in The Gambia did the standard hut tax fee apply to multiple dwellings. Owners of "any yard not containing more than four huts" were to pay a single fee, but were charged extra for "every additional hut occupied by members of the family of the owner or occupier" and (against a higher rate) for huts belonging to non-relatives.[45] Other measures, such as the imposition head or poll taxes, which more broadly applied to *all* adult males, served as complementary taxes in some places to ensure that valuable taxpayers would not escape fiscal capture. In Bechuanaland, the hut tax regulations themselves were expanded with such additional provisions, stipulating that if the dwelling was occupied by multiple "males of full age the sum of £1 is payable by each of them."[46]

Where the officially liable to taxpayer was exclusively male in British Africa, the French, however, did not have a similar gendered approach to directly taxing the African population. In French Africa native taxes (*les impôts indigenes*) were across the board targeted at *all* indigenous inhabitants over a certain age, whether male or female. Alice Conklin's study on the ideological foundations of French rule in West Africa may provide some clues for the different approach that was taken. According to Conklin, French officials' faith in the superiority of republicanism as the basis of political organization shaped their perceptions about 'traditional' indigenous power structures, seeing them as "aristocratic vestiges" that stood in the way of Africans acquiring "an independent individuality."[47] From this perspective, it is thus possible that the individual-focused outlook of native taxation in French Africa reflected a desire to dismantle pre-colonial structures and shape new fiscal institutions along republican ideals of 'individualism' and 'egalitarianism'.

---

[44] Nyasaland Protectorate, *A Report on the Direct Taxation of Natives in the Nyasaland Protectorate and Other Cognate Matters*, (Zomba: Government Printer, 1937), p. 6; Baker "Tax Collection in Malawi", p. 42.
[45] Colonial Office, *Colony of The Gambia: Blue Book 1910*, (Bathurst: Government Printing Office), p. 12.
[46] Colonial Office, *Territory of The Bechuanaland Protectorate: Blue Book 1910-11*, (Mafeking: Government Printing Office), p. 1.
[47] Conklin, *A Mission to Civilize*, pp. 113-117.

Table 2.4: Types of native taxes in British and French Africa

British Africa	French Africa
Bechuanaland *hut tax, head tax, cattle tax*	Cameroun *head tax, cattle tax*
Gambia *hut tax/yard tax*	Congo *head tax*
Kenya *hut tax, poll tax, plural wives tax*	Côte d'Ivoire *head tax, cattle tax*
Northern Rhodesia *head tax, plural wives tax*	Dahomey *head tax*
Northern Nigeria *cantonment (land) tax*	Gabon *head tax*
Nyasaland *hut tax, plural wives tax*	Guinée *head tax*
Sierra Leone *hut tax*	Haute Volta *head tax, zekkat, cattle tax*
Tanganyika *hut tax, poll tax, plural wives tax*	Madagascar *head tax, cattle tax*
Uganda *hut tax, poll tax*	Mauritanie *head tax, zekkat, cattle tax*
	Niger *head tax, cattle tax*
	Oubangui-Chari *head tax*
	Sénégal *head tax, cattle tax*
	Soudan *head tax, zekkat, cattle tax*
	Tchad *head tax, cattle tax*
	Togo *head tax*

Sources: See appendix 1

Notes: The names of the native head and cattle taxes varied slightly across French Africa (e.g. *impôt de capitation impôt personnel, taxe personelle* for the head taxes and *impôt sur les boeufs* and the *impôt zekkat* (in Islamic areas) for cattle taxes)

Differences between the individual or household orientation native tax liability aside, the British and French flat-rate hut and head taxes shared the same principle that they did not factor in variations in the incomes of indigenous taxpayers. In that respect, the native 'cattle taxes' that targeted the nomadic pastoralist groups, came closer to taxing Africans on the basis of varying property wealth, as they tended to be based on the size of the herd. Although cattle taxes were used in both British and French Africa, they were more common in the latter. This trend was primarily driven by different local conditions. With a string of territories partly or fully located in the Sahel, running from the northern parts of Sénégal, though Mauritanie, Soudan, Haute Volta, Niger, to Tchad, the French possessed a larger number of regions where such cattle based taxes were the most suitable form of local native taxation.

A second important similarity regarding native taxation, and one that was shared among all colonial powers in Africa, was the dependence on indigenous authorities for the collection of the hut, head and cattle taxes.[48] In the face of limited local knowledge and little administrative capacity, the most logical solution was to employ local power structures toward this end. Chiefs were instructed to collect the taxes in their communities and deliver the revenues to local district officials. Colonial administrations sought to secure the compliance of indigenous leaders through various carrots and sticks. In the early decades of colonial rule, chiefs were generally offered a fixed percentage of the revenue yields in exchange for their services.[49] European officials also

[48] Alexander Keese, "Tax in Practice: Colonial Impact and Renegotiation on the Ground." In: *Administration and Taxation in Former Portuguese Africa 1900-1945*, edited by Philip Havik, Alexander Keese and Maciel Santos (Newcastle upon Tyne: Cambridge Scholars Publishing, 2015), pp. 89-90.

[49] The percentages shares rewarded to local chiefs varied across space and over time, In the *Budget Local* of Côte d'Ivoire 1911, for example, rebates to local chiefs for tax collection ("*Remises aux Chefs de villages et frais de recouvrement de l'impôt*") were 110,000 francs (p. 24) for a total of 2,300,000 francs of collected head tax revenue, being a little under 5 per cent. In Sénégal in 1912 (*Pays du Protectorate*), the percentage share awarded to chiefs for this source is explicitly listed as four per cent of the revenue (*Budget Local*, p. 14). For Soudan (then Haute-Sénégal Niger) in 1903, in contrast, the *Budget Local* lists a total sum of 6,657,072 francs in head tax revenue against a sum

rewarded a cooperative attitude from chiefs via less formal channels, such as turning a blind eye to practices of self-enrichment and, as I will elaborate on in the next chapter, to the prolonged economic exploitation of domestic slavery. In the course of the colonial period, however, this tax collection system, which showed resemblances to revenue farming, including its discontents, was increasingly replaced with the more formal employment of chiefs in the central administration, rewarding them with fixed salaries for their roles as local intermediaries.

Compliance with the colonial fiscal regime was backed by various coercive measures as well. Throughout Africa, colonial governments relied on indigenous law enforcement troops to oversee the voluntary transfer of tax revenues from village chiefs to local state representatives. These native police forces were known as the "native constables" in British Africa, the "*gardes des cercles*" in French Africa, and the "*cipais*" in Portuguese Africa.[50] Uncooperative chiefs faced reprisals that ranged anywhere between steep fines to the complete removal from power. The latter approach appears to have been more common the French territories, where the greater ideological disdain for indigenous authority made administrators more willing to overturn local power structures.[51] Additionally, France's African colonies also knew a separate legal code for indigenous subjects, the *indigénat*, which invested district officials with the authority to punish several less severe offenses, including tax evasion, without prior approval from higher levels of government.[52] The bureaucratic short cut that was offered by the *indigénat* lacked accountability, and significantly enhanced administrators' capacity to enforce fiscal obedience.[53]

---

of 721,000 francs in rebates (p. 37), implying percentage share of nearly eleven per cent. In British Africa, the size of the rebates varied as well

[50] Keese, "Tax in Practice", p. 90.

[51] Conklin, *A Mission to Civilize*, p. 113.

[52] Mann, Gregory. "What Was the *Indigénat*? The 'Empire of Law' in French West Africa." *Journal of African History* 50, no. 3 (2009): 331-353; Suret-Canale, *French Colonialism in Tropical Africa*, pp. 331-332.

[53] Crowder, *West Africa under Colonial Rule,* p. 193

For the British on the other hand, who did not share French desires for cultural and political assimilation, the incorporation of chiefs in the administrative framework of the colonial state was an ideologically less contested practice. On the contrary, fiscal affairs even presented them with a particularly suitable opportunity to implement the principles of indirect rule, such as partial local autonomy and the preservation of indigenous power structures. An important pillar of Lord Lugard's indirect rule of Northern Nigeria were the 'Native Treasuries', which not only entitled local rulers to a share of the tax revenues that had been collected in their region, but they were also given a say in the allocation of these funds.[54] Lugard believed that the Native Treasury had a positive effect on the quality of indigenous governance, as it:

> ensures the selection of the most capable and more influential men as Chiefs and Advisors, and invests them with authority and responsibility. Both in the assessment, collection and disposal of the revenue they become part of the Government of the country, and incompetence or dishonesty is soon exposed.[55]

Although these decentralized tax arrangements were later implemented in a number of other British colonies as well, they had originally emerged somewhat organically in Northern Nigeria, where they flew out of British efforts to had tap into the pre-existing tax systems of the emirates. The collected tax revenues in this region were first and foremost seen as "*kurdin sarki*, or moneys of the chiefs" from which the government then took a share of 25-50% "for general

---

[54] Lugard partly based his governing approach to Northern Nigeria on principles he had advocated earlier for British rule in Uganda (mostly the Buganda Kingdom). See Lord Hailey, *An African Survey: A Study of Problems Arising in Africa South of the Sahara*. (London: Oxford University Press, 1939), p. 417.
[55] This statement was quoted in E. J. Arnett, "Native Administration in West Africa: A Comparison of French and British Policy," *Journal of the Royal African Society* 32-128 (1933), p. 246.

revenues."[56] The direct tax revenues in this region were thus above all considered as property of local rulers, of which the administration was at most entitled to co-profit. In many other colonies, however, the revenues of the Native Treasuries were obtained as rebates from taxes that had first been handed over to the central government that held first rights to the tax yields. Such rebates were more in the order of ten per cent of the total collected direct tax revenues, and stand in stark contrast to the 50-75% of the revenue that remained at the local level in Northern Nigeria.[57]

Despite certain stylistic differences in their applicability (household vs. individual) and a growing tendency in the British colonies to siphon off part of the revenues to local treasuries for local spending purposes, the collection *structures* (through chiefs), and the *main types* of native taxation (hut or head taxes, and cattle taxes) were very similar in British and French Africa, and which facilitates comparisons of the source composition of public revenue. For this purpose, I computed for each colony 1) the shared of government revenue that was derived from the main categories of direct native taxes as reported in table 2.4, and 2) the share of government revenue that came from indirect external trade revenues (customs receipts). Figures 2.5a-b illustrate the relative incidence of these two fiscal sources for the first benchmark year.

As becomes evident from figures 2.5a-b, the great variation in the size of colonial state budgets is mirrored by the diversity in its source composition, both in British and French Africa. Where some colonial governments relied predominantly on revenues from trade taxes, others derived most of their income from direct taxes on the indigenous population. For example, while over 75 percent of the revenue in Northern Nigeria, Tchad and Oubangui-Chari came from capitation levies and cattle taxes, direct native taxes only made up only five percent Gambia's

---

[56] Hailey, *An African Survey*, p. 418.
[57] In Northern Nigeria and Nyasaland, such rebates varied between 8.75-10% of the revenues, in Tanganyika between 10-33%

Figures 2.5a-b: Share of GPR from direct native taxes or customs in 1911

Figure 2.5b: share from native taxes in 1911 (British in red, French in black)

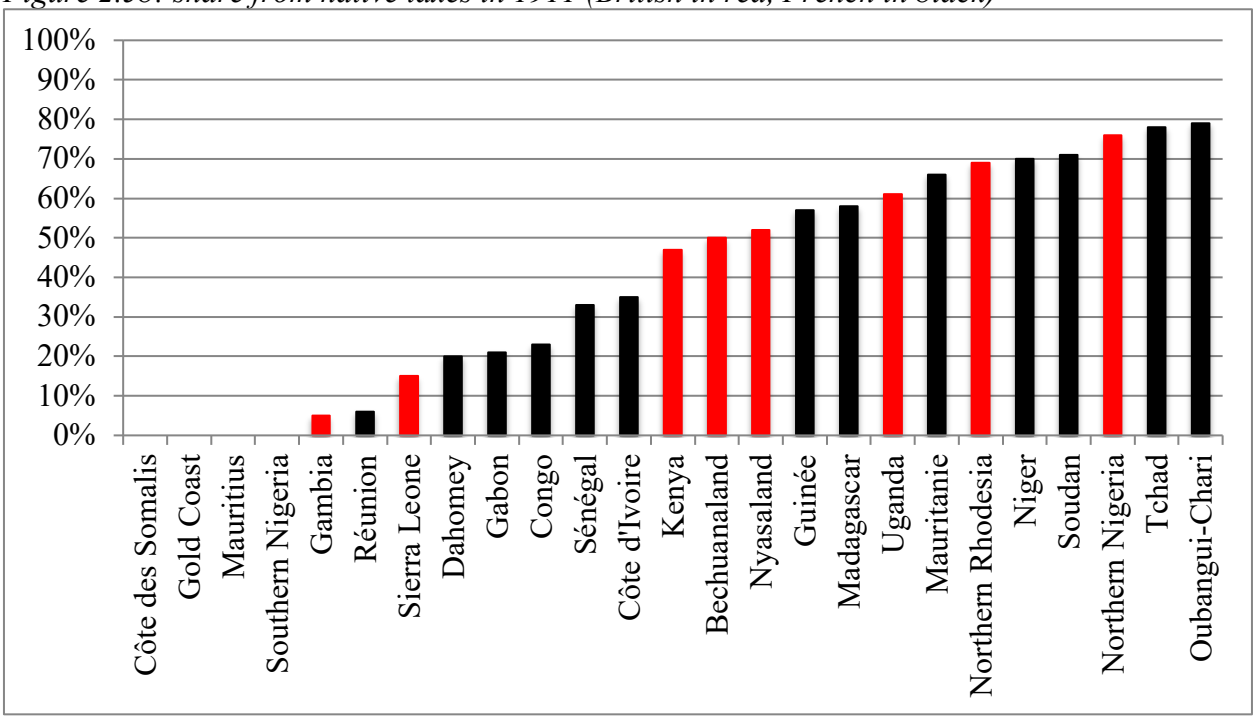
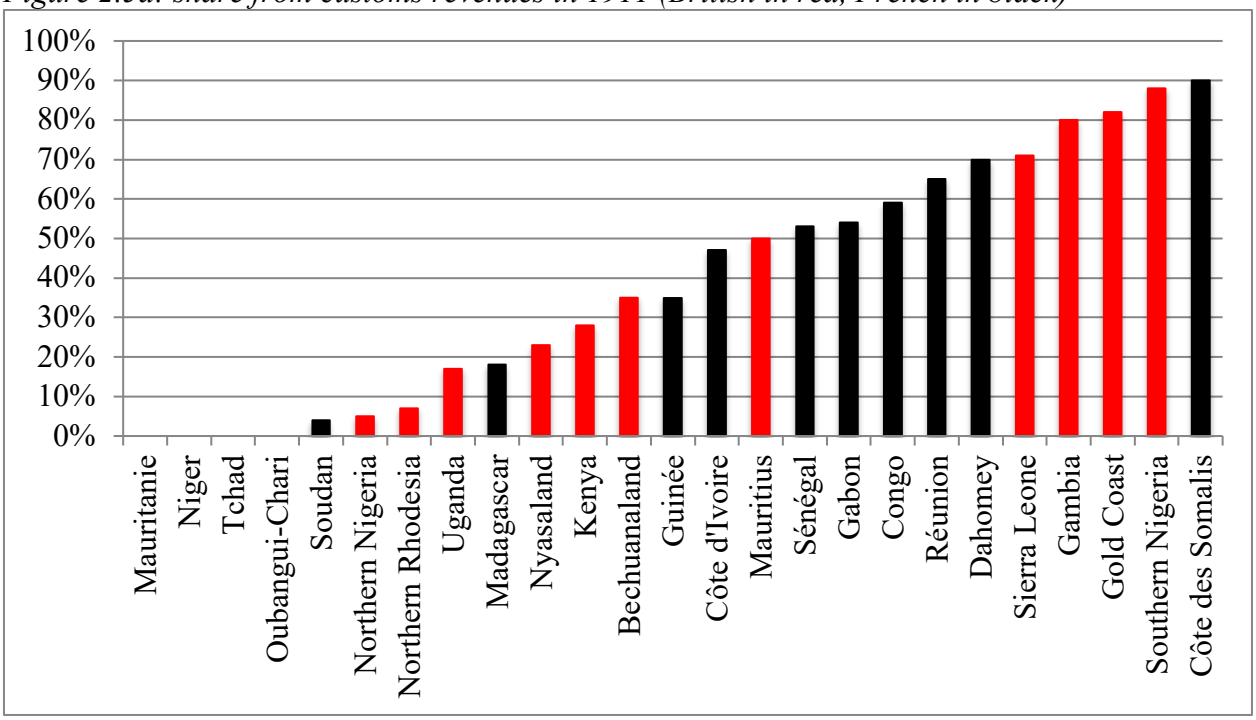


Figure 2.5a: share from customs revenues in 1911 (British in red, French in black)



Sources: See appendices 1 and 5.

budget in the same year, and added nothing to the budgets of the Gold Coast, Mauritius, and the Côte des Somalis. Although most other colonies found themselves somewhere in between these two ends of the spectrum, the very large variation in source composition raises questions about whether we can identify systematic patterns in these different strategies to raising revenue.

As discussed earlier, especially the direct capitation levies have long been emphasized as important colonial policy tools; ones deemed vital for the pursuit of hegemony, monetization, labor commodification and the 'civilization' of African subjects. The large variation in reliance on these 'policy tools', however, raises serious questions about why their implementation seems to have been more important in some places then in others. Why did some colonial governments barely, or even at all, implement such forms of native taxation? In absence of a systematic and broad-based public finance dataset, such questions are difficult to answer, and it is not surprising that earlier studies on colonial taxation have not probed further into this question. As put a few decades ago by Jane Guyer, the sheer "complexity of the vested interests in the tax structure and their variation over time and geographical regions" made colonial tax strategies a "very difficult subject for generalization."[58]

The temporally and spatially comparable government revenue data for British and French Africa that were developed in sections 2.2 and 2.3, however, create new opportunities to examine whether any general macro-patterns existed. Above all, the new empirical foundations make it possible to evaluate the source composition of African colonial budgets in light of the relative size of these budgets. Figures 2.6a-f apply the GPR data towards this end, and plot the share of

[58] Guyer, Jane I. "Head Tax, Social Structure, and Rural Incomes in Cameroun, 1922-1937." *Cahiers d'Études Africaines* 20, no. 79 (1980): p. 306. It is worth noting that the fiscal trends Guyer documents in this study for Cameroun, are much in line with the patterns documented for British and French Africa in general (figures 2.6a-f). See especially the bottom illustration of figure 1, p. 311.

Figures 2.6a-f: Share of revenue from native taxes vs. Gross Public Revenue per capita in 1911, 1920, 1925, 1929, 1934 and 1937 (in 1911£, log scale)

Figure 2.6a: 1911 (average share native taxes 0.39, average GPR/capita 0.25)

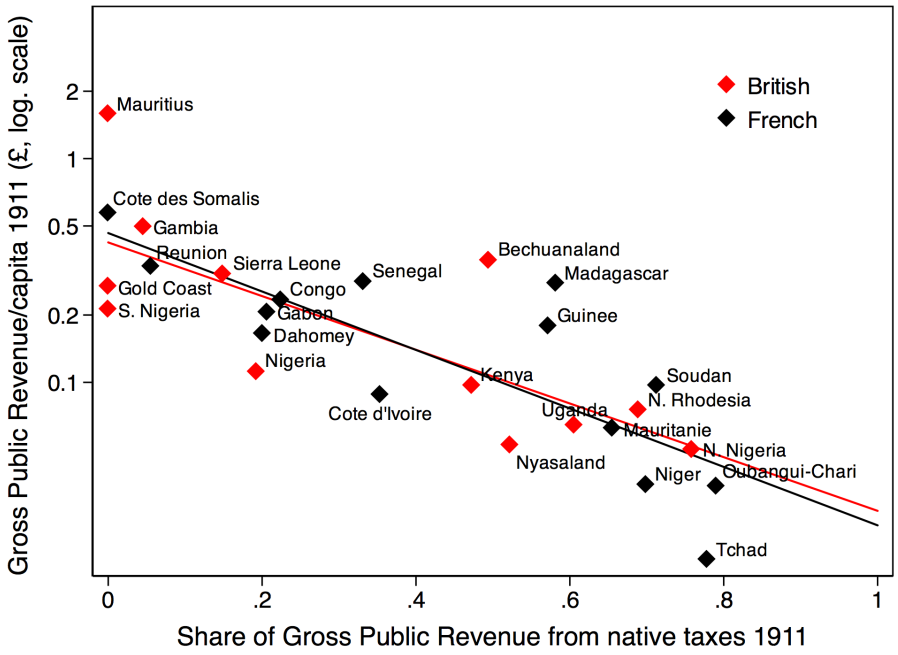


Figure 2.6b: 1920 (average share native taxes 0.41, average GPR/capita 0.45)

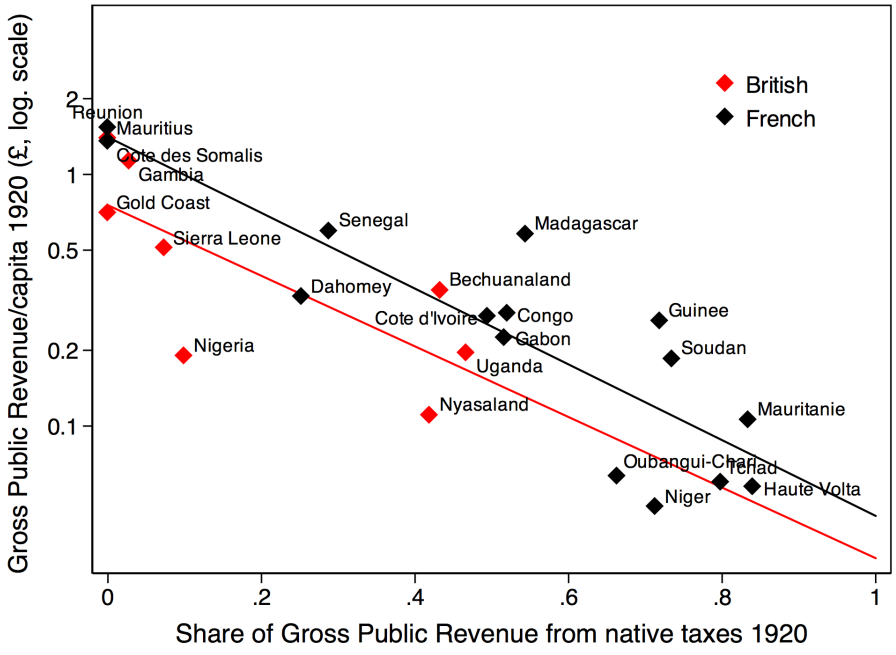


Figure 2.6c: 1925 (average share native taxes 0.37, average GPR/capita 0.41)

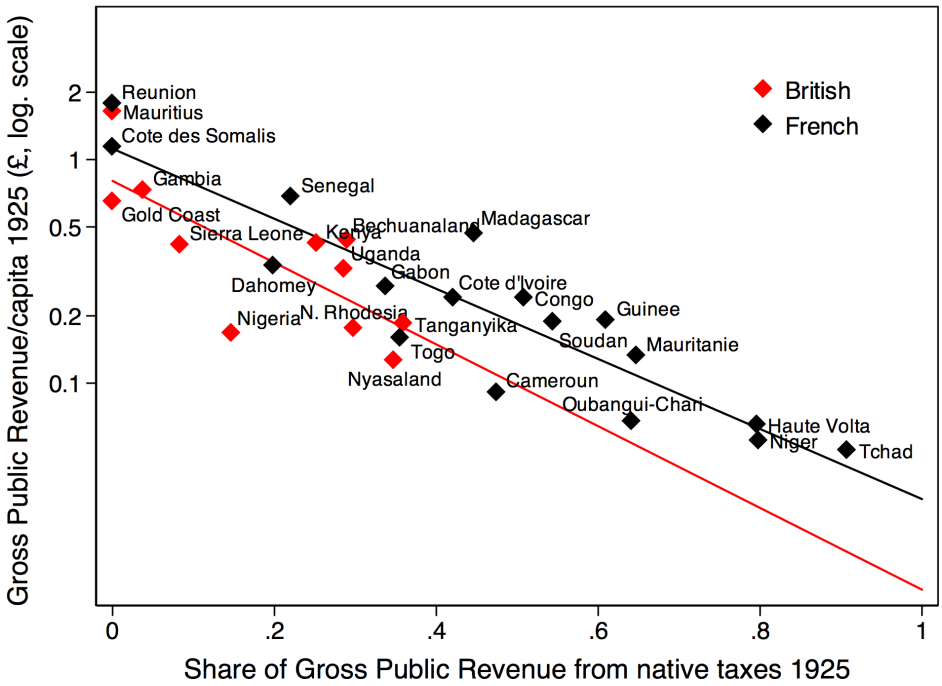


Figure 2.6d: 1929 (average share native taxes 0.30, average GPR/capita 0.51)

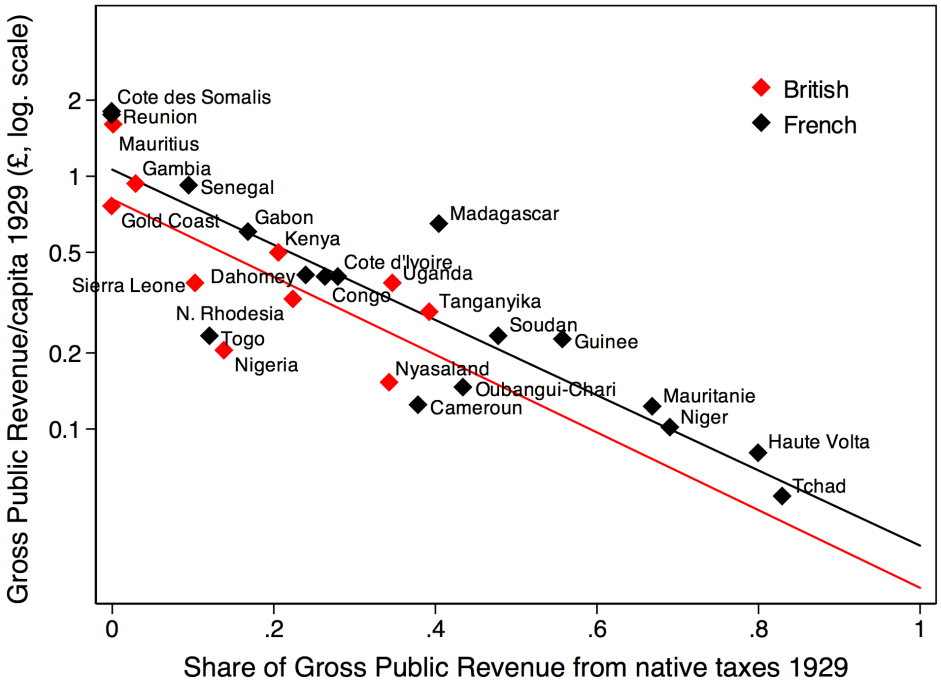


Figure 2.6e: 1934 (average share native taxes 0.31, average GPR/capita 0.43)

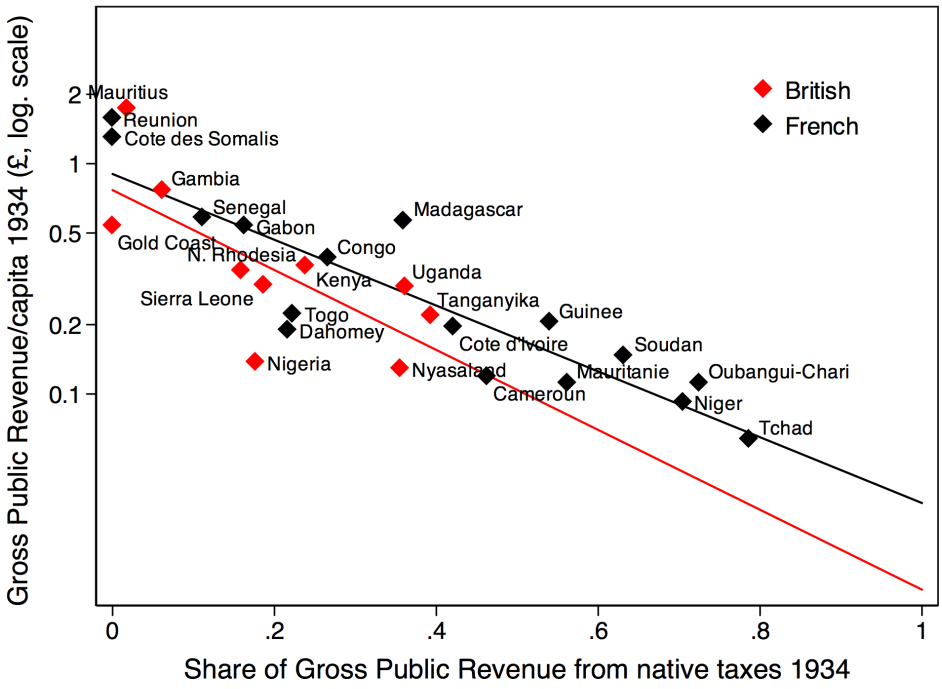
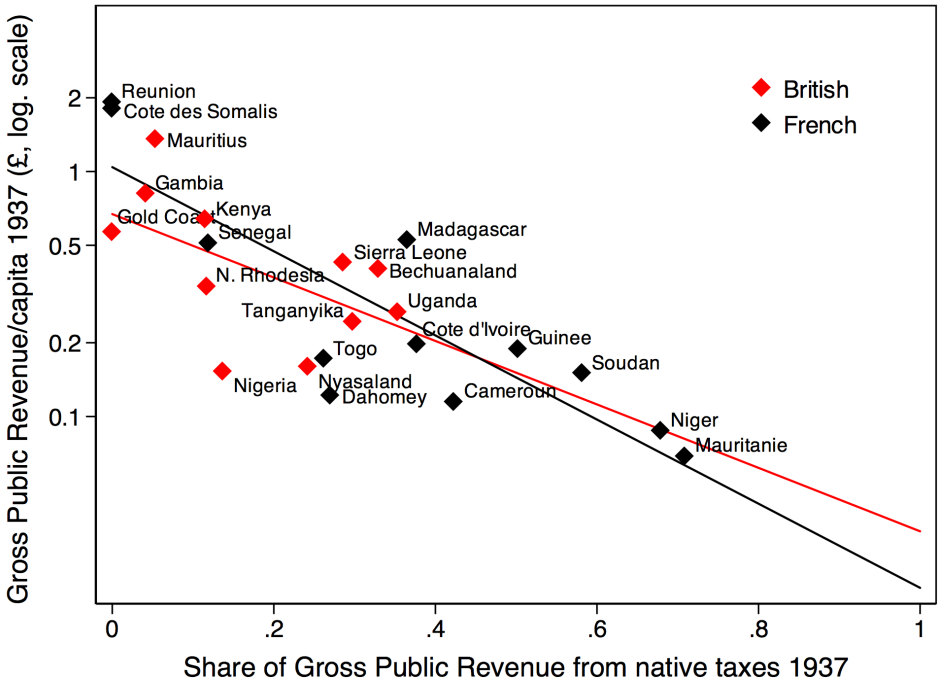


Figure 2.6f: 1937 (average share native taxes 0.28, average GPR/capita 0.48)



Sources: See appendices 1 and 5.

government revenue that was derived from native taxes in each colony against the per capita real value of the corresponding budget (on a log scale). This exercise reveals several strikingly strong 'stylized facts' that shed new light on the kinds of taxes colonial states 'chose' to levy.

First, the scatter plots reveal a remarkably strong negative relationship between the two variables: in places with *higher* per capita revenue levels, a *systematically smaller share* of state revenue was derived from direct native taxes. The strong correlation between the two variables suggests that in places where sufficient revenues from trade taxes were available, which made up most of the remaining part of the budget, colonial governments preferred to minimize reliance on the more invasive direct forms of taxation. This tendency is more consistent with a preference for minimizing effort rather than maximizing revenue and lends more support for the 'gate-keeping' interpretation of African colonial states than the interventionist 'Bula Matari' variant.

The temporal trend displayed in figures 2.6a-f combined is of relevance as well, showing a systematically upward left movement along the fitted line over time. In other words, the scatter plots indicate that as governments' fiscal base expanded in the course of the colonial period, they increasingly *moved away* from earlier (heavy) reliance on direct native taxes. As indicated by the slopes of the fitted lines, these spatial and temporal trends were virtually *identical* in British and French Africa. Despite some observable differences in fiscal organization, therefore, such as the disparate preferences for fiscal centralization or decentralization and individual or household tax liability, British and French underlying approaches to fiscal capacity building were very similar. Both colonizers showed a systematically strong preference for moving towards a trade-tax heavy fiscal base, and varying successes in achieving this were largely determined by different local conditions. Even though the revenue raising tools in Tchad were markedly different from those in the Gold Coast, both fitted in a broader patter that was shared regardless of colonizer-identity.

As such, we should thus be careful not to overemphasize the 'metropolitan blueprints' of British and French fiscal strategies in Africa.[59]

2.5 The 'virtuous revenue cycle'

It is not surprising that colonial governments across the board preferred to move away from native taxes. As much as there may have been good reasons to implement a capitation levy, there were also good reasons to avoid them. Direct taxes tend to generate more resistance than indirect ones, and suppressing them could be a costly affair. Although colonies' military defense expenses were in principle to be paid from the metropolitan treasury, Sierra Leone was charged £34,766 for the imperial army's intervention in the Hut Tax War; a sum roughly the size of the annual hut tax receipts in the early 1900s.[60] The British seemed to have learned a lesson from the experience in Sierra Leone, or at least for (coastal) West Africa, where customs revenues were sufficiently large to function as an alternative source of government revenue. The hard-wrought imposed hut tax was never augmented in Sierra Leone, or in The Gambia for that matter, and a similar direct form of taxation was not implemented in the Gold Coast and in (Southern) Nigeria.[61]

---

[59] This argument was more fully developed in the *Journal of African History* version of this chapter. See: Frankema and van Waijenburg, "Metropolitan Blueprints of Colonial Taxation?"

[60] This sum was placed on the outstanding public debt balance of the colony. It was not uncommon for the metropolitan government to incur the costs of certain internal military expeditions. The Gold Coast also owed the imperial government over £500,000 for the Ashanti expedition of 1896 and the Ashanti War of 1900, sums that were both placed on the Colony's public debt account. These subjugation costs were 50% larger than the Gold Coast's total revenues in 1900 (£333,283). See the *Statistical Tables Relating to British Self-Governing Dominions, Crown Colonies, Possessions and Protectorates* for the year 1902, pp. 493-494 for the Gold Coast and pp. 507-508 for Sierra Leone.

[61] Note that the Gold Coast temporarily had a poll tax in the 1850s before it became a formal colony. The poll tax was to keep a basic administrative structure in place, but was abandoned in the 1860s in the face of "increasing African antagonism." See: Akyeampong, *Drink, Power, and Cultural Change*, pp. 79-80.

Leigh Gardner has argued that in East Africa, British tax-related "ghosts of the past" also shaped the discourse about desired fiscal policies.[62] Britain's Foreign Office, for example, would have only consented to the imposition of a head tax in Nyasaland in 1891 on the condition that "it would be withdrawn if it gave rise to serious discontent."[63] However, lacking any significant commercial streams of revenue to tap into, and with a metropolitan treasury reluctant to engage in systematic transfers, it is difficult to see how such a suggested withdrawal of the hut tax would have been feasible in practice. The results from figures 2.6a-f clearly indicate that the capitation taxes on the indigenous population were above all a necessity. This is not to say that colonial officials did not *believe* in the alternative policy benefits of native taxation, as they certainly articulated and defended them in those terms. However, the systematic abandonment of this form of taxation as the revenue base grew, indicates that their incidence should first and foremost be understood in the larger material context of balancing the budget.

The displayed preference for building a fiscal base on trade tax revenues that was shared by both the British and the French, deserves a bit further elaboration. In the early colonial period, public revenue from taxing external trade was almost exclusively based on customs duties, and on import duties in particular. Table 2.5 presents proportion of customs revenues that came from import and export levies in for a benchmark year in each decade for all colonies I was able to find a breakdown of the customs revenues.[64] The table underlines that in virtually all colonies, the share of import duties was (much) larger than that of export duties and at times even the only type of customs receipts. Since import taxes mostly consisted of duties on luxury goods, such as

---

[62] The 'ghosts of the past' do not only refer to Britain's experience in Sierra Leone. The British had a long tradition of conflict over matters of taxation, ranging from its imposition in England itself in 1377 (which led to the 1381 Peasant's Revolt), the loss of the American colonies, to the Gun War of 1880 in Basutoland. See: Leigh Gardner, "Decentralization and Corruption in Historical Perspective: Evidence from Tax Collection in British Colonial Africa," *Economic History of Developing Regions* 25, no. 2 (2010): p. 224.
[63] Ibid.
[64] I was unfortunately unable to locate such figures for all colonies in the main sources I consulted for this study.

alcohol and tobacco, which were largely consumed by Europeans and the more affluent African elites, they were a more progressive form of taxation than export levies, which were to a much greater degree born by indigenous producers of export commodities.

Table 2.5: Proportion of export to import duties in 1911, 1925, and 1934

French Africa				**British Africa**			
	1911	1925	1934		1911	1925	1934
Cameroun		1:3.8	1:5.9	Gambia	1:3.3	1:4.2	1:2.2
Congo	1:1.4	1:1.5	1:46	Gold Coast	*imports*	1:7.9	
Côte d'Ivoire	1:8.4	1:8.3	1:10	Mauritius	1:5.2	1:2.8	1:5.2
Côte des Somalis	1:2.9			Nigeria	*imports*		
Dahomey	*imports*	1:8.3	1:3.2	N. Rhodesia		1:46	1:12
Gabon	1:1.4	1:2.5	1:1.1	Nyasaland	1:27	*imports*	
Guinée	1:2.1	1:3.0	1:4.4	Sierra Leone	*imports*	1:6.2	
Haute Volta		1:0.9		Tanganyika		*imports*	*imports*
Madagascar	1:13	1:2.4	1:6.1	Uganda	1:3.3		
Niger			*imports*				
Oubangui-Chari		1:2.0	1:11				
Sénégal	1:12	1:2.7	1:3.8				
Soudan	1:2.4	1:31	1:80				
Tchad		1:7.7	1:8.4				
Togo			*imports*				

Sources: See appendix 1.
Notes: The entry *imports* means that customs consisted of import duties only. For places where the ratio exceeded 1:100, I counted them as 'imports only' as well.

Despite their attractiveness as a politically less costly form of revenue collection, import duties were not uncontested. Just like arguments were made about the 'civilizing' merits of direct native taxes, the 1900s saw a widening moral crusade against revenue dependency on liquor imports. Inspired by images, exaggerated or real, of intoxicated chiefs and migrant workers that had at times been paid with gin, a growing temperance movement started to exert pressure on colonial administrations to ban the imports of spirits, but these generally remained unwelcome

and unheeded appeals.[65] Defending the continuation of liquor imports, Governor Leslie Probyn of Sierra Leone reasoned that:

> "[I]t is thought by many people that the whole of the West Coast is 'drenched in gin'. Now it is quite true that you cannot educated people in self-reliance if they are being poisoned out of existence by gin; but with respect to the magnitude of the spirit traffic there is a great deal of exaggeration. I find that, taking the inhabitants of Sierra Leone at 2,000,000, and assuming that nine out of every ten persons are teetotalers, the amount of gin consumed by every tenth person works out at a half sherry glass of gin per day ... It must be remembered that the natives have not learnt the use of intoxicants from us; they have been accustomed to the use, and in some cases the abuse, of palm wine and other intoxicants from early times. A large revenue is obtained from the duty on spirits, and money is wanted for railways, agricultural improvements, and education ... I think, therefore, we should help the native to practise moderation in the use of all intoxicants, whether indigenous or imported, as this will do more to strengthen the moral fibre of the people than statutory prohibition.[66]

Only in the Côte d'Ivoire did the colonial state show any committed efforts to undermine indigenous liquor consumption. Yet, this intake was to be substituted by another alcoholic drink: French wine. Unlike the "solitary misery of the absinthe drunkard", wine was associated with the

---

[65] Owen White. "Drunken States: Temperance and French Rule in Cote d'Ivoire, 1908-1916." *Journal of Social History* 40, no. 3 (2007): 663-684; Emmanuel Akyeampong, *Drink, Power, and Cultural Change: A Social History of Alcohol in Ghana, c. 1800 to Recent Times*. (Portsmouth, NH: Heinemann, 1996), pp. 83-85.

[66] Leslie Probyn, "Sierra Leone and the Natives of West Africa", *Journal of the Royal African Society* 6, no. 23 (1907): pp. 255-256. Other contemporaries also believed that prohibition was not the solution, because "if the natives did not get imported spirits, they would still have their palm-wine, a most intoxicating liquor, to fall back upon". See Frederic Shelford, "Ten Year's Progress in West Africa", *Journal of the Royal African Society* 6, no. 24 (1907), p. 344.

virtues of "conviviality, good conversation" and "good taste", and would therefore only lead to a "happy and sociable form of drunkenness."[67] Moreover, in contrast to the British West African territories, the structure of fiscal transfers in the AOF, which immediately siphoned off customs revenue to the federal level, possibly left administrators of individual colonies like Côte d'Ivoire with fewer incentives to fully exploit the revenue potential of liquor imports.[68]

The First World War significantly interrupted (West) African receipts from the liquor trade, and British colonies like the Gold Coast and Nigeria, which had until then only known import taxes, were forced to raise import duties on alcohol and supplement them with export taxes. Most of these export duties were maintained afterwards, and thus permanently broadened the colonial trade tax base.[69] By the mid-1920s, the Gold Coast used export taxes to tap into the booming cocoa sector, levying £1 3s and 4d on each exported imperial ton of cocoa. Despite remaining only then percent of total customs revenue, these export duties added significant sums.[70] In 1925, for example, per capita revenues from the export tax on cocoa alone, exceeded the per capita yields of total native taxation in several East African colonies, such as Northern Rhodesia, and Nyasaland.

The relative freedom that most West African countries had to adjust their customs regime according to need, however, stood in stark contrast with the restrictions that colonies located in the Congo basin faced. One of the stipulations of the Berlin Act of 1885 had been that the Congo

---

[67] White. "Drunken States" p. 674.
[68] Ibid, p. 673.
[69] D. Dorward, "British West Africa and Liberia." In: *The Cambridge History of Africa, Volume 7: From 1905-1940*, edited by A. Roberts, (Cambridge: Cambridge University Press, 1986), pp. 424-426. In the 1910 *Blue Book* of The Gambia, an export tax on groundnuts of 6 shilling and 8 pence per imperial ton is already listed (p. 5). About one third of the customs revenues was derived from these export taxes.
[70] Gardner, *Taxing Colonial Africa*, p. 45.

region was to be a free trade area, with no import or export levies.[71] This had thwarted any hopes of early "imperial enthusiasts" to turn Africa into "neo-mercantile market systems" in which high tariffs would keep rival powers out.[72] It was soon realized though, that a full free trade zone was too restrictive if not completely "unworkable" for the colonies concerned, and the provision was amended a few years later by the Brussels Act, which allowed for *non-differential* ad valorem duties up to ten percent in the region.[73]

These restrictions were further relaxed in the 1920s and 1930s, when recurring waves of commercial instability triggered a global revival of trade protectionism and preferential tariffs.[74] Although the British generally clung stronger to their free trade commitment, the competitive textile imports from Japan had become a particular cause of concern, as these had increasingly come to undercut metropolitan exports to the East African colonies. In a report on the growing loss of colonial export markets to Japan, then Trade Commissioner Mr. C. Kemp points out that where in 1926 61 percent of bleached cotton imports in East Africa were still of British origin, this share had fallen to a mere thirteen percent in 1933. Japan's share, however, had grown from 5 percent to 80 percent in this period.[75]

A broadening of the source composition, targeting, and conditions for collecting customs revenues, was not the only expansion that took place colonies' trade tax revenues over time. New variants of trade taxes were introduced as well, especially in the French colonies. Soon after the introduction of the AOF in 1904, the French imposed a *taxe du circulation* in a number of their West African colonies. This 'circulation tax' was an additional levy on the 'movement' of main

---

[71] See especially Articles I-IV. The Berlin Act of 1885 was reprinted in: Bruce Fetter. *Colonial Rule in Africa: Readings from Primary Sources*, (Madison, WI.: University of Wisconsin Press, 1979), pp. 34-38
[72] Austen, *African Economic History*, p. 136.
[73] A. Berriedale Keith, "The Revision of the Berlin Act," *Journal of the Royal African Society* 17, no. 68 (1918): p. 254.
[74] Austen, *African Economic History*, p. 136; Gardner, *Taxing Colonial Africa*, pp. 78-79.
[75] "Editorial Notes," *Journal of the Royal African Society* 33, no. 133 (1934): p. 421.

cash crops *within* Africa, and showed, depending on the territory and period, traits of both an import tariff and an excise.

In the Côte d'Ivoire, for example, the *droit de circulation sur les colas*, which had been introduced in 1905, operated much like an excise duty, charging producers of kola nuts a fixed rate for each kilogram they circulated *within* the colony.[76] 'Circulation duties' on palm oil and rubber that were later added to this category, however, operated more like an additional export duty, as it obliged exporters of these commodities to pay a fixed rate per ton "before leaving the colony".[77] In Togo, the *taxe de circulation* seemed to have primarily targeted indigenous trade caravans coming into Togo. Africans were to report each 25 kilograms unit (the standard load of one porter) that entered the colony from neighboring territories to the administrative office of the relevant district of entry.[78] For those colonies that were integrated in a federal structure this new trade tax had important advantage: its revenues remained at the colony-level, and thus gave local administrators a greater say in the allocation of trade revenues.

Many French colonies also saw revenue growth from a *taxe sur le chiffre d'affairs*, which seems to have served a similar objective. Although this levy literally translates as a turnover tax, it had in practice more in common with an ad valorem trade tax, as it imposed a proportional rate on the value of imported and exported goods of companies and other 'patent holders', and was to

---

[76] Gouvernment Général de l'Afrique Occidentale Française, *Côte d'Ivoire: Budget du Service Local, Exercise 1922* (Bingerville: Imprimerie du Gouvernement, 1922). See the annexed section 'Tarif des Taxes: Contributions et Taxes Perçues au Compte du Budget Local', p. XIII.
[77] Gouvernment Général de l'Afrique Occidentale Française, *Côte d'Ivoire: Budget du Service Local, Exercise 1930* (Bingerville: Imprimerie du Gouvernement, 1930). See the annexed section 'Tarif des Taxes: Contributions et Taxes Perçues au Compte du Budget Local', p. XXVII.
[78] Territoire du Togo Placé sous le Mandat de la France, *Budget Local, Exercise 1936* (publisher not specified). See annexed section 2 'Tarif des Contributions et Taxes Perçues au Profit du Budget Local', p. LXXII.

be paid to the customs authorities at the same time the 'regular' declarations were done.[79] Like the circulation tax, this levy also enabled individual territories to capture some trade revenues in the colony itself, but was targeting Europeans and other Levantine traders instead.

A final category of trade taxes that came to add significant revenues to the budget over time, was the widening of consumption taxes (*taxe de consommation*). Most consumption taxes were in essence excise duties on imported goods. They predominantly applied to European luxury goods and were in most cases to be paid at the border.[80] It is true, however, that over time some domestically produced goods came to be included in this category as well, but their relative share remained small. The budget of Madagascar for 1935, for example, which provides a breakdown of consumption taxes, shows that domestically produced items counted for less than fourteen percent of the total receipts from the consumption taxes.[81]

All in all, despite some diversification in trade tax types beyond import and export duties over time, it is fair to state that colonial governments preferred to tax *external* commercial flows, and that their fiscal strategies focused on capturing such trade revenues. Even non-native direct taxes, such as income taxes on European companies, and licenses (e.g. on the right to sell liquor), ultimately sought to tap into the commercial flows of the externally oriented enclave economies, and few efforts were made to develop the capacity to tax local production and transactions.

With colonial expenditure patterns largely focused on investments in law and order and public works, the principle orientation of colonial fiscal capacity building efforts was to enter, as

---

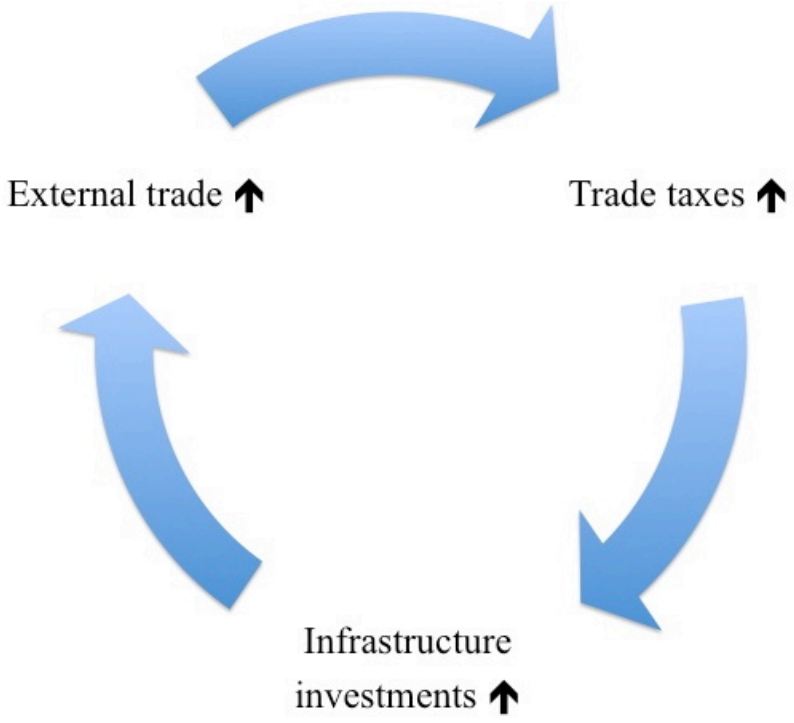
[79] Territoire du Togo Placé sous le Mandat de la France, *Budget Local, Exercise 1929*, (Lomé: Imprimerie de l'École Professionelle, 1929). See annexed section 'Tarif des Contributions et Taxes Perçues au Profit du Budget Local', p. LXXIV

[80] In early years, some of the budgets make no distinction between import duties and the *taxe de consommation*, listing import revenues exclusively under the header of a consumption tax. See for example Colonie du Dahomey et Dépendances, *Budget du Service Local, Exercise 1902* (Porto-Novo: Imprimerie du Gouvernement, 1902), p. 8; and Côte d'Ivoire, *Budget du Service Local, Exercise 1902* (Grand-Bassam: Imprimerie du Gouvernement, 1902), p. 4.

[81] Madagascar et Dépendances, *Budget des Recettes et des Dépenses pour l'Exercise 1935* (Tananarive: Imprimerie Officielle, 1935), pp. 4-6.

soon as possible, into a 'virtuous revenue cycle'.[82] As illustrated in figure 2.7, the main logic of the virtuous revenue cycle was that the revenues of year t_0 would be invested in the physical and institutional infrastructure necessary to develop the export economy, thereby generating greater trade tax revenues in year t_1, and which could in turn be reinvested in infrastructural goods to create even larger fiscal yields in year t_2 (and so on). As more trade revenues started to pour into colonial treasuries and could finance state building efforts, native taxes and their assigned policy objectives became of secondary importance at best, remaining vital only if they were necessary to set and keep the virtuous revenue cycle in motion.

Figure 2.7: the virtuous revenue cycle



[82] Frankema "Colonial Taxation and Government Spending in British Africa"; Gardner, *Taxing Colonial* Africa; Huillery, "History Matters" and "The Black Man's Burden".

Local opportunities for getting into this revenue cycle differed dramatically across Africa. Figure 2.8, illustrates two ends of the spectrum experience with the examples of public revenue development in the Gold Coast and Nyasaland. In the Gold Coast, an ideal case scenario, the rapid expansion of cash-crop exports (cocoa) translated in a simultaneously rapid development of a trade driven fiscal base. The indigenously controlled 'cocoa boom' of the Gold Coast has long been recognized as one of the most impressive economic successes in colonial Africa.[83] Only two decades after the crops' first exports in 1892, the Gold Coast had overtaken Brazil's world market leadership, producing nearly 40,000 imperial tons of cocoa.[84] By 1929, production had risen to 238,000 imperial tons, comprising more than 80 percent of the colony's total exports and crowding out commodities like rubber and palm kernels.[85] Despite notable setback in the depression and war years, cocoa revenues recovered swiftly again, and only came to a significant halt and full collapse in the 1960s and 1970s.

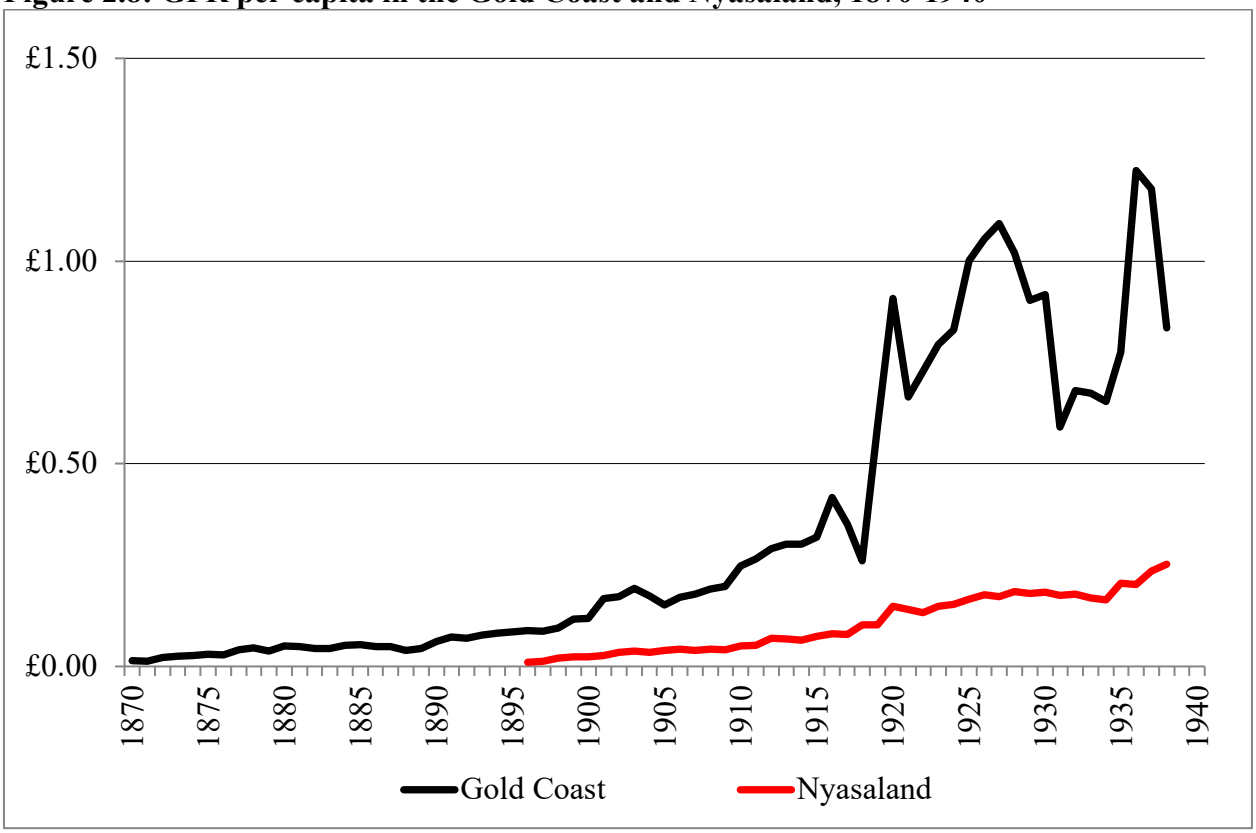
Although the scope of the cocoa boom likely made the Gold Coast richer than many other African colonies, such a land-extensive 'cash-crop revolution' was a widely shared feature of African colonial economies, providing the respective administrations with similar opportunities to tap into the associated revenues.[86] As illustrated in figure 2.9, especially the coastal West African colonies seem to have had better prospects for swiftly entering into the preferred trade

---

[83] Polly Hill, *The Migrant Cocoa-Farmers of Southern Ghana* (Cambridge: Cambridge University Press, 1963); Hopkins, *An Economic History of West Africa*; and Gareth Austin, *Labour, Land, and Capital in Ghana: From Slavery to Free Labour in Asante, 1807– 1956* (New York: University of Rochester Press, 2005).
[84] Hopkins, *An Economic History of West Africa*, p. 216.
[85] The figures are from Ewout Frankema, Jeffrey Williamson, and Pieter Woltjer. "An Economic Rationale for the African Scramble: The Commercial Transition and the Commodity Price Boom of 1845-1885." *NBER Working Paper No. 21213*, 2015.
[86] See for a more thorough exposition of Africa's comparative land-extensive path: Gareth Austin, "Labour-intensity and Manufacturing in West Africa, c. 1450-c. 2000". In: *Labour-Intensive Industrialization in Global History*, edited by Gareth Austin and Kaoru Sugihara, pp. 201-230, (New York: Routledge, 2013). See for recent estimates of GDP growth in the Gold Coast: Morten Jerven. "A West African Experiment: Constructing a GDP Series for Colonial Ghana, 1891–1950." *The Economic History Review* 67, no. 4 (2014): 964–92, and for the longer cyclical commodity 'booms' and 'busts': Morten Jerven. "African Growth Recurring: An Economic History Perspective on African Growth Episodes, 1690–2010." *Economic History of Developing Regions* 25, no. 2 (2010): 127–54.

based revenue cycle, as they started out with much higher per capita export values at the start of the colonial period. These larger trade flows reflect at least in part the regions' longer history of engaging in 'legitimate' commerce in the wake of the abolition of the slave trade[87] This is not to say that export production in the West African economies did not need additional pushes and to generate enough government revenue, but this challenge was certainly of a different order than in landlocked places like Nyasaland.

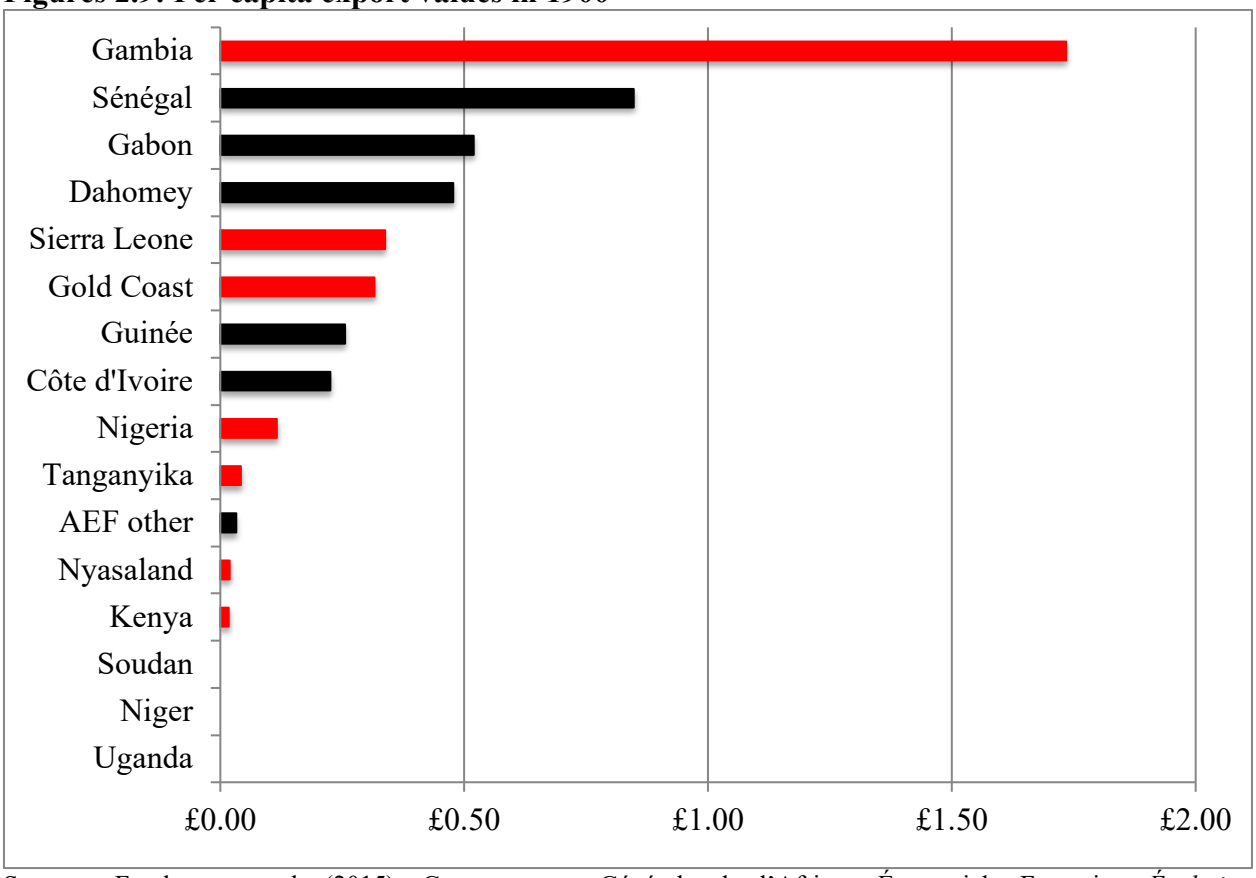
Figure 2.8: GPR per capita in the Gold Coast and Nyasaland, 1870-1940



Source: See appendix 1.
Notes: The version of this table that appeared in the JAH was adjusted for railways receipts

[87] Robin Law (ed.), *From Slave Trade to "Legitimate" Commerce: The Commercial Transition in Nineteenth-Century West Africa*. (Cambridge: Cambridge University Press, 1995).

Figures 2.9: Per capita export values in 1900



Sources: Frankema et al. (2015); Gouvernement Générale de l'Afrique Équatoriale Française, *Évolution Économique Des Possessions Françaises de l'Afrique Équatoriale*.

To sum up, the comparison of fiscal development in British and French Africa that has been developed in this chapter, has provided several stylized facts about the revenue raising abilities and objectives of colonial governments. Despite marked variation in revenue levels and source composition, all colonial administrations ultimately favored reliance on indirect trade tax revenues over direct native taxation as soon as this became financially possible. The desire to enter in a virtuous revenue cycle was shared *across* colonizers and is key to understanding fiscal capacity building efforts in early twentieth century Africa. Although some colonies were better positioned than others to get this cycle going, all territories needed a larger *revenue production*

strategy to achieve this objective (if only partly). How colonial governments went about this is the subject of the next chapter.