Africa and Social Capital: From Human Trade to Civil War*

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Abstract

Focusing on the slave trade, colonialism, and the post-colonial era plagued by civil wars we found the common theme in Africa's underdevelopment was constant declines in social capital. During the slave trade era, unproductive industries helped engender slave raids and wars that are still associated with lack of trust among different ethnic groups. Ethnic group separations in the process of colony creation worsened the lack of trust. During the post-colonial era many African countries were poor and lacked governing knowledge and strong national identity. As a result the continent continued the downward trend of social capital starting from the slave era, being plagued with civil wars.

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Introduction

We argue the common theme in Africa's underdevelopment were constant declines in social capital. In doing so we provide brief historical backgrounds on the impact of the slave trade, colonialism, and post-independence civil war on the current underdevelopment of Africa. Whether the blame should be placed on slave trade, European colonization, or poor governance has yet to be determined. However, all these factors have played major roles in Africa's underdevelopment. The slave trade era, which lasted from 650 to 1900, devastated Africa by creating internal slave raids between and within ethnic groups. These internal raids negatively affected social structure and may be the cause of the ethnic fractionalization seen today. The height of European colonization began at the end of the 19th century and ended in 1979 with the independence of Southern Rhodesia (Zimbabwe). During this period, Africa was divided into multiple countries without accounting for its already fragile social structure. Depending on whether the colonizers were interested in settling or in resource extraction, the effect can be seen today. After colonization the continent was plagued with poor governance and civil wars. Civil wars were especially disruptive of productive economic activities.

Social capital is a term encompassing societal structures and norms that facilitate trust, cooperation, better governance, and viewed as a necessity for economic prosperity (Bourdieu 1980; Dinda 2008; Fukuyama 2001; Poder 2011, Portes 2000; Widner and Mundt 1998). Coleman (1988) exemplified social capital as entities with some aspect of social structures that helps facilitate certain actions of actors within the structure and without its resources achieving certain ends were not possible (Lin 1995, Coleman 1988). Coleman stressed its development through obligation, expectations and trustworthiness in a community. Putman (1993) defined socials capital as features of community such as trust, norms and networks that can improve the efficiency of coordination in society, and cooperation was easier for societies with a substantial stock of social capital. Fukuyama (2001) defined it as instantaneous norms that promote cooperation and indicated its importance for an efficiently functioning modern economy. He suggested that unlike economic policies or institutions social capital cannot be easily created and that it is a byproduct of religion, tradition, shared historical experience, and other factors outside government control. Further, governments have the greatest direct ability to generate it through education, with social capital also being an externality of human capital.

Social capital facilities cooperation, reduces transaction costs from asymmetric information, and facilitates economics growth (Aglan and Cahuc 2010; Bjørnskov 2012; Knack and Keefer 1997; Zak and knack 2001). Dinda (2008) stated "social capital truly greases the wheel that allow nations to advance smoothly and creates the base for economic prosperity." Helliwell and Putman (1995) indicated that disparities in economic prosperity were due to the level of endowments of social capital.

Rapasingha et al. (2000) found a positive association with social capital, measured by civic engagement such as voting, on per capita income growth. Woolcock (1998) stated that civic engagement together with the organization of society are key determinants of whether a country succeeds or fails in development. Robinson and Schmid (1994) suggested the main cause of economic and social failures which includes wars, crime, and disinvestment in institutions were due to lack of social capital. Temple (1998) indicated that the reason for economic development failures in Africa were due to low social capital, bad policy outcome, and low investment.

Nunn (2007, 2008) stated that the possible explanation of Africa's underdevelopment was its history of extraction, characterized by the slave trade and colonialism. Using slave exports data from 1400-1900 he found the slave trade era had negative effects on economic development of African countries. In addition, the most productive regions of Africa were the ones that experienced the majority of the slave trade. Nunn (2007) showed that African countries that experienced the slave trade and colonialism fell into a state dominated by unproductive activities and the persistence of these unproductive norms will make it difficult for a productive equilibrium to be reached. The unproductive activities were due to external demand for slaves that dominated many African economies. Nunn and Wantchekon (2011) found the slave trade developed a culture of mistrust in countries affected by it, measured by the relationship of ethnic groups who experienced slave trade and their view on their local governments today. Explanations were that the slave trade brought about kidnappings across ethnic groups, neighbors, friends, and family members.

Similarly to Nunn's work using historical data from 1400-1900 to show factors contributing to Africa's current economic struggles we provide evidence that the common theme of Africa's current economic difficulties were due to constant downward spirals of social capital dating from the slave trade era. Apart from the rich literature of resource rent seeking and its effect on post-independence civil wars in Africa, we also provide evidence that the loss in social capital dating from the slave trade is an important factor in explaining the post-independence civil wars in Africa. Civil wars are especially damaging to economic growth as society resorts to economically unproductive activities. Further, civil wars aid in diminishing social capital, thus, making the transition to economically productive activities difficult.

Slave Trade

Prior to the slave trade African kingdoms had well developed economic and social structures, which encouraged Europeans to first trade for material goods. Later as slave trade became in high demand, it resulted in kingdoms procuring slaves through violent means. At times wars were created for the sole purpose of capturing slaves. The economic viability of the slave trade led families, neighbors, and friends to sell each other into slavery. Freeborn civilians, those protected by law from slavery, also became available for slavery. The slave trade resulted in the disintegration of formally prosperous kingdoms. The constant wars and slave raids then diminished social capital between ethnic groups and persisted through colonialism.

Prior to the Slave Trade

Africa's economic history was believed to be non-existent prior to the trans-Atlantic slave trade due to the extent that much of Africa's economic past were written by non-historians (Cohen 1971). It was not until the 1950s that there was largely a realization of Africa having a history of importance before the arrival of Europeans. The lack of prior records led some scholars to believe that Africa was a "non-economic man" (Cohen 1971, p. 210). Meaning that Africa lacked the ability for production, labor organization and industrialization, which are considered bottlenecks to economic development. Fortunately, the notion of a "non-economic man" ceased with intensive revisionist studies. Newfound records from the slave trade era, which lasted from the early 7th century to the end of 19th century has helped dismiss this notion of a "non-economic man[1]." Also, comparable records have been found that by the 15th century many African kingdoms had long standing histories and were as prosperous as the rest of the world, measured by urbanization (Nunn 2007 p. 169; Bairoch 1988 p. 55; Rodney 1982, p. 69).

Prior to their involvement in the trans-Atlantic slave trade (1472-83), the Portuguese sailed along the south of West Africa looking for capable traders. After finding the Kingdom of Kongo[2] they were able to sustain trade due to their strong centralized government and well-developed market systems (Nunn 2007). The Kingdom of Kongo had six provinces: Soyo, Mpemba, Mbamba, Mpaungu, Mbata and Nsubi that were governed by delegates sanctioned by the King. The Government received its revenues through income taxes paid once a year and through labor services. Control of the currency solely resided in the power of the King, a unique situation in Africa (Vansina 1966, p. 44). Even after the slave trade era began, European countries still had preferential trade agreements with parts of Africa that were well developed[3].

During King Afonso's reign (1509-43), a period in which slavery had already been well established; copper and ivory were still being traded. By as early as 1508, young scholars including the King's son were being sent to study in Lisbon with payments being made in slaves and copper anklets (Vansina 1966, p. 47; Heywood 2009).

The Senegambia[4] zone, located in a tropical zone between the Sahel and the forest of Guinea, had an established decentralized governing system with several states of varying sizes by the end of the 15th century. For example, the Denyanke Kingdom controlled the regions of the middle and upper valleys of the Senegal River, while the Jolof Confederation controlled the region between the Senegal River and the Gambia River[5]. Before the trans-Atlantic slave trade began, trade was well established in Senegambia. The leading interest of trade for the Portuguese was gold and spices (Barry 1998, p. 39).

During the Slave Trade

Africa faced four slave trades from 650 to 1900. The trans-Saharan slave trade from 650 to 1600 had an estimation of 4,820,000 slaves traded. The Red Sea slave trade from 800 to 1600 had an estimation of 1,600,000 slaves traded. The East African slave trade from 800 to 1600 had an estimation of 2,400,000 slaves traded and the trans-Atlantic slave trade from 1450 to 1900 had an estimation of 11,698,000 slaves traded (Lovejoy 1983). This accumulates to 20,518,000 slaves traded in the 1,250 years of slavery record. This estimate was actually misleading, as it did not account for those who died during capture and delivery. Lovejoy (1983) also estimated death tolls of around 10 to 14 percent from the capture locations to the ports, and 6 to 10 percent at the port of departure from the end of the 17th century throughout the 18th century.

The human capital effect of the trans-Atlantic slave trade was especially damaging since the slaves were in their prime age of productivity ranging from the age of 15 to 35 with most of them primarily in the early 20s. Also, gender preferences existed with a 2 to 1 ratio in favor of men. The economic opportunities created by the slave trades enticed slave traders to capture slaves through wars and kidnappings, often using euphemisms to disguise the actual activities. For example, the Bobangi of the Kingdom of Kongo referred to their slaves as "dogs". Sometimes when Bobangi villagers saw a canoe approaching with slaves, the villagers would ask, "Do you have dogs for sale?" If the trader respond by saying "Yes, we have dogs", then the villagers would reply, "Then come here, we want to talk to you" (Harms 1981, p. 39).

The structure of the trans-Atlantic slave trade differed from those of the trans-Saharan, Red Sea and Indian slave trades, also referred to as the Middle Eastern Trade. The Middle Eastern slave trade had a slow but steady drain on the African population with women being preferred to men due to their home productivity. This was in contrast to the trans-Atlantic slave trade. Records show that women crossed the Sahara desert to Morocco, Tripoli, Egypt, and South Arabia in greater numbers than men (Manning 1983, p. 844). The capturing of slaves was through wars with the winning side mainly gaining family members of the losing warriors as slaves.

When the trans-Atlantic slave trade began, slaves were procured through the judicial system or as prisoners of war. However, as slave trading became more opportunistic it resulted in kidnapping. Kidnappings were recorded as early as 1526 in the Kingdom of Kongo. Records from the Kingdom of Ngola near the Kingdom of Kongo also indicated that not only prisoners of war but their descendants were being sold as slaves. In addition, individuals who committed crimes that were previously punishable by death were sold as slaves. Slaves were also sold as punishment for committing adultery, stealing, acts of violence and witchcraft (Harms 1981, p. 35). Duarte Lopes who stayed in Kongo from 1579-83 noted that after the Jaga Invasion from 1568-70, which led to the first large-scale enslavement of freeborn Kongos, left the economy in crisis resulting for the necessity for parents to sell their children, and siblings to sell siblings into slavery to obtain food (Heywood 2009). By the 1590s the constant civil wars weakened the formerly strong kingdom and by the 1700s factional fighting became endemic and faction leaders ignored the policies that former rulers established for the enslavement of freeborn Kongos.

Although the Middle Eastern slave trade was not widely documented in regards to unlawfully capturing slaves, occasions did occur where slaves were being raided. For example, in a letter written in 1391-2 to the Mamluk regime of Egypt, Borno’s King Uthman Ibn Idris expressed his frustration about Arab tribes of Jodham and other raiding parties that were enslaving free Muslims and members of the royal family (Lovejoy 1983, p. 29).

By the end of the 16th century, the trans-Atlantic slave trade dominated all of the political and economic aspects of Senegambia. The monarchial progress of the lineage-based states of the Southern Rivers halted due to violent manhunts from neighboring communities. Economically, the slave trade became the main source of economic viability and reduced all other exports. This predatory business pushed Senegambia into a state of regression while violence became the dominant force (Barry 1998, p. 80).

The Portuguese influence on the slave trade in the Kingdom of Kongo contributed to its downfall. The Portuguese caused internal strife by encouraging the chiefs to rebel against the King, and provoking wars and rebellions. For example, the King of the Kingdom of Kongo, Garcia II[6] who received his reign in 1641 stated that "…instead of gold and silver and other goods which function elsewhere as money, the trade and the money here are persons, who are not gold, nor in cloth, but who are creatures. It is our disgrace and that of our predecessors that we, in our simplicity, have given the opportunity to do many evils in our realm… the inequality of the arms has lost the lands over there to us and our rights are being lost through violence" (Vansina, 1966 p. 52). Father Baltasar Barreira, a Jesuit priest who visited Sierra Leone and the Cape Verde Island in 1605 also observed that local wars were fought to obtain slaves for exports (Lovejoy 1983, p. 42). By the 1800s, large kingdoms ceased to exist due political fragmentation caused by slave raiding. The disintegration of the Kingdom of Kongo was directly caused by the slave trade as internal conflicts fractionalized the kingdom.

Is Slave Trade the Cause?

The detrimental effects of the slave trade and associated wars may be the cause of Africa's underdevelopment. Nunn (2008) using data on the pre-slave trade era in Africa found that the most populous and developed areas were the ones most likely to participate in the slave trade. The Kingdom of Kongo and Senegambia had well-developed political systems with established commerce that enticed the Portuguese to first trade for goods then for slaves. Thus, if these African kingdoms never experienced the slave trade it was possible that they would have been developed. Nunn (2008) also showed a negative relationship exists with the number of slaves exported from a particular African state and its current economic development.

The destruction of social order that was caused by the slave raids may still have its effect today. The raids caused the breakup of the kingdoms, weakened established social structures, and created distrust, if not hatred, among neighboring communities. The establishment of colonialism did not help this matter. Ethnic fractionalization was shown to have a negative impact on long-term economic growth (Easterly and Levine 1997). Highly diverse societies put less emphasis on collective interests, which are associated with the diffusion of public goods. Countries that were strongly divided ethnically were less likely to experience social cohesion, thus creating an obstacle to growth. In addition, during colonialism preferential treatments were likely to be given in ethnically fractionalized societies to the ethnic group that held the most political power regardless of within country population representations. Promoting ethnic separatism was likely to create factions within states with detrimental long-term and political implications.

According to the "local accountability" literature, colonial provision of public infrastructure was highly dependent on pre-colonial social arrangements. Fractionalized societies had weak accountability, meaning that their political structure did not foster an environment of bargaining among local African leaders. The diffusion of technology from the colonial era gave authoritarian power to local leaders and halted modernization (Tosh 1978; Gennaioli and Rainer 2007). On the contrary, the hierarchical political structure of centralized groups made local chiefs accountable, increasing political stability and the coordination needed to evenly disperse colonial public goods and restrain abusive leaders. Centralization also made colonizers' modernization programs easier to coordinate where diffusion mechanisms were based on local leadership. Inevitably, pre-colonial centralized states that remained centralized post-independence reap their benefits today (Bockstette et al. 2002; Gennaioli and Rainer 2007). Countries such as Botswana and Swaziland are credited with their current development due to established pre-colonial centralized political structure. Hence, one can argue that the African countries that did not lose their social structure during the slave trade era were among the successful countries in Africa.

The slave trade accompanied with slave raids and wars declined Africa's social capital. After the slave trade, the colonial political structure lingered on the pre-colonial political arrangements in terms of public goods provision. Whether the colony was a settler or extraction colony further factored in the provision of public goods. This resulted in disproportional and inadequate human capital investments. Social capital further diminished during the colonial era and resulted in civil wars after independence. Civil wars are especially damaging since they are associated with growth-hindering activities, human capital flight, and human capital destruction.

Colonialism

Colonialism negatively influenced the already fragile social capital state in Africa. The partitioning of Africa formed countries where social dynamics of the inhabitants did not always coincide. Indirect rule by the colonizers gave preferential treatments to certain ethnic groups while disregarding previously established political groupings. Indirect rule also gave power to African leaders and with lack of accountability acted in their self-interest. The end of colonialism saw many African countries fall into dictatorships or single-party systems. Unresolved grievances partially due to the colonial economic and political structure led many African nations into civil wars. Arguably the post-independence civil wars were due to lack of social capital as fractionalization existed between different ethnic groups.

The Partitioning of Africa

The height of colonialism began in late 19th century with King Leopold II of Belgium desiring an empire of his own. This conflicted with other European powers and led to a gathering of 15 states to set rules for the acquisition of land at the Berlin Conference in 1884. By 1885, the contemporary map of Africa was drawn according to the power of the European countries and their effective control. The major players were France, Britain, Belgium, Portugal and Germany. France and Britain controlled most of the African countries except for Congo (current Democratic Republic of the Congo), Ruanda-Urundi (Rwanda and Burundi)[7] controlled by Belgium, Angola and Mozambique by Portugal, and Togoland (Togo), Cameroon, Tanganyika (Tanzania), and again Ruanda-Urundi (Rwanda and Burundi) until World War I by Germany[8]. Since the partition of Africa was based on the Europeans powers, the established social structures were negatively affected. Congo, for example, the territory carved out for King Leopold II, brought together different states and non-state societies and split up important kingdoms such as Luanda and the Bankongo (Englebert 2000, p. 13).

Colonial Structure and Infrastructure

The last years of colonialism saw many policies that were of disinterest to the colonies. France for example, gave preferential treatments to French firms and French exports. In addition, Africans were forced to pay substantially for overvalued French imports, especially capital goods. Education was inadequate, dominated by missionaries, and more likely to be non-academic and non-vocational. Although the end of colonialism saw an expansion of schools and university enrollment, few were able take advantage of the schools due to poor road infrastructures. In Nigeria students enrolled in higher education were only 7,000 out of a population of 55 million inhabitants, and in Congo-Leopoldville only 4000 out of the 21 million inhabitants enrolled in schools of higher education (Wickins 1986, p. 262).

Colonial powers built railroads of varying sizes depending on their own needs. Railroads inherited from colonization were also inadequate to foster growth after independence. In total, the length of railroads built during the colonial era in Africa was 50,000 kilometers excluding South Africa, which nearly had half of the total length of the railroads. Often after independence the railroads were neglected, thus unable to maintain regular schedules and regularly caused accidents.

It is important to note that infrastructure development of the colonies depended on whether the colonizers colonized for the sole purpose of extracting natural resources. Colonies of acceptable temperature and living conditions were settled and developed, while those with harsh living conditions became resource extraction colonies. Thus, if the colony was used for the extraction of natural resources then structural development was limited, designed at trading points, and roads only built inland for the extraction of these resources.

Using mortality rates data for soldiers, bishops, and sailors that settled in colonies from the 17^{th} to the 19^{th} century, Acemoglu et al. (2001) determined that the higher the mortality rates of the settlers, the higher the probability that the country will become a colony devoted to resource extraction. In these cases, infrastructures were only built for the extraction of resources. Countries that became settler colonies were given infrastructures such as rule of law, public goods, and property rights that became advantageous after independence. Thus, the longer the colonizers remained in their colonized country before independence the more likely physical and social infrastructure would be developed (Grier 1999).

In relation to the "local accountability" literature, Lange (2004) also suggested that the administrative structure implemented by colonizers factored in long-term economic growth. He did so by comparing direct versus indirect administrative policies of the British Empire. Direct rule was classified by only locals holding the lowest levels of administration in the colony (Doyle 1986). Indirect rule was classified by when two separate incompatible forms of rule existed, with one dominated by the colonizers and the other by numerous native chiefs (Mamdani 1996). Indirect rule was found to have led to ineffective administrations and corruptions. Chiefs that were given political power controlled the flow of resources between the colonial administration and the local population, sought out resource rent seeking, and manipulated locals against each other to maintain their position. Hence, without local accountability, economic prosperity would be difficult. Direct rule was associated with a centralized legal administrative structure where information were dispersed throughout the colony. Direct rule led to the provision of public goods that enhanced economic prosperity, such as education, health care, roads, sanitation, and law and order (Lange 2004). Similarly to Acemoglu et al. (2001), Lange suggested that settler colonies with direct rule were difficult to establish due to cost, climate and geography. Hence, in Africa extraction policies with indirect rule were more likely.

Extraction policies were not just in the form of natural resources. Taxes and restrictions on trading partners were also implemented. While the British established a free trade policy with their colonies since 1830 and ended preferential treatments by 1846, the French implemented preferential treatments and strictly prohibited their colonies to trade with other countries. For many newly independent African countries the only established trading partners were their previous colonizers, which was detrimental for growth. Furthermore, the Portuguese and Belgians were known for their harsh labor practices.

Colonial powers also gave preferential treatments to certain ethnic groups while disregarding previously established political groupings. Preferential treatments were granted to ethnic groups based on economic reasons and their willingness to adopt the colonizers' system. In some cases, colonizers reinforced ethnic identities by granting governing power to minorities. For example, the Belgians gave ruling power to the Tutsi minorities in Rwanda and Burundi over the Hutus (Ndulu and O'Connell 1999). The control of the business sectors by the Tutsis was a significant factor in explaining the civil war that culminated in the genocide of 1994. Other cases of such conflict involved the Bamileke in Cameroon, the Ibos in Nigeria, and the Kikuyus in Kenya (Mbaku et. al. 2001, p. 66)

Independence

The determinants of decolonization were based on the demand for independence and the degree of interest invested in the country. The British, French, and Belgians did not succumb to their colonies without resistance and placed nationalistic leaders in prison. Strikes in the Gold Coast in 1947 and 1948 led the British to look for "moderate" African leaders to co-opt leading figures such as Kwame Nkrumah, who later become head of state of Ghana from 1957-66 (Cooper 2002).

The late 1950s to late 1970s saw the independence of many African countries, with France granting 23 colonies independence in 1960 and Britain doing the same based on individual circumstances. Portugal sustained its rule until 1974 before granting Angola and Mozambique their independence. The political structure after independence was young and underdeveloped. Only Botswana, Gambia, Mauritius, Senegal and Zimbabwe had multi-party systems where political competitions were meaningful by 1988. Authoritarian regimes existed because leaders were reluctant to share their power. They also believed that competition would have stagnated development due to ethnic and regional issues (Ruth Collier 1982). For example, in Sierra Leone, President Siaka Stevens argued that a multi-party system would encourage ethnic conflict and enhance the difficulties of sustaining national development for the new country (Mbaku et al. 2001, p. 71). This proved false as all of the single-party systems in Africa experienced political instability.

Very few Africans received the benefits of the colonial education systems. French colonial students were required to speak French while traditional languages were forbidden. However, the French contributed more than any other in developing infrastructure (Bertocchi and Canova 2002, p. 1860). The British contributed the most to education by training indigenous teachers and allowing the usage of traditional language. As early as the end of World War II, the British implemented a decentralized ruling structure in favor of the stronger ruling classes. The French were slower to grant governing rights to colonies. It was only until 1958 that the French colonies were given a choice between independence and autonomy. Although this was scarcely a free choice, the colonies that opted for independence were deprived of all aid (Wickins 1986, p. 203).

At the onset of independence, the lack of social capital led to poor governance and resulted in single-party political systems. Newly formed governments lacked accountability due to the lack of awareness of other ethnic groups. Other causes of this lack of accountability were underlying social fragmentations that existed before and during the colonial era. In search of identity, underrepresented groups fought for their own independence within the newly formed states. The colonial economic structure of resource rent remained at the forefront of the post-colonial economic structure. Resource rent seeking became prominent and partially led to the observed civil wars seen in most African countries today.

Civil War

Civil wars occur due to low social capital and negatively effects short-run economic growth (Chen et al. 2008; Murdich and Sandler 2002c). Many researchers have focused on resource rent seeking as an important factor on the onset of the post-independence civil wars in Africa. Our findings in addition suggest that part of the cause of these civil wars were due to declining social capital starting from the slave trade era. Also, given the political structure during colonialism it seems inevitable for African countries to enter into civil wars. Nevertheless, civil war diverts society to unproductive economic activities and erodes social capital.

The Onset of Civil Wars

By definition, a civil war had occurred when there were at least 1,000 deaths per year, whether the deaths were civilian or military. In addition, the war must be internal with the primary agents identified as a rebel group and a national government and, lastly, when the stronger force had sustained at least 5 percent of the deaths sustained by the weaker force (Small and Singer 1982).

The common theme of African civil wars was that warring nations were in deep poverty and undeveloped (Murdoch and Sandler 2002a), while countries with high productivity were less prone to conflict (Caruso 2010). Another cause of civil wars in Africa was ethnic composition. Africa is known for its high degree of ethnic composition, which in itself may be the reason for Africa's underdevelopment. Ethnic fractionalization have been associated with greater difficulty in technology diffusion and higher coordination costs. Coordination costs would be lowest when a country was polarized (Montalvo and Reynal-Querol 2010). Therefore, although ethnic fractionalization may lead into inter-ethnic conflict, however, due to a higher degree of coordination cost ethnic fractionalization has been shown not to significantly affect the likelihood of a civil war. This did not imply that Africa's high degree of ethnic diversity of over 2,000 different ethnic groups lowered its likelihood of civil wars. Poorer countries have a lower opportunity cost of entering a civil war, that is, a poor country's losses from productive activities are low.

Countries prone to civil wars were also likely to rely on exporting primary resources. The reliance on exporting commodities has been linked to poor economic performance and increased risk of rebellion (Collier and Hoeffler 1998). Although recently the reliance on exporting primary commodities has been questioned with it showing a weak relationship to the onset of civil wars, it nevertheless implicates factors worth analyzing. Empirically, exportation of primary resources is measured by its percentage of Gross Domestic Product (GDP). Civil wars tend to halt trade and poorer countries tend to have inaccurate measures of GDP. Therefore, a possible result of this weak relationship was the bias in the measure of exportation of primary resources as part of GDP. The true dependence of primary resources for poor countries, therefore, must be related to the intensity of black markets.

The relationship between the resource exports and civil war may also be reversed. Typically, a civil war is recorded when the death tolls have reached one thousand. However, by the time this is reached, there might be other intervening factors. For example, at first sight of conflict economic sectors such as manufacturing may flee due to their mobility while natural resources, due to their fixed locations, become the main source of economic production. Otherwise, when looking at a more defined measure of economic activities in relation to civil wars, percentage of total merchandise exports as manufactured goods, the level of economic growth indicates a reduced risk of conflict (Lujala et al. 2005; Reynal-Querol 2002; Sandholt and Gleditsch 2009).

Beyond all these contributing factors governance was key. For example, in 1970 Botswana and Sierra Leone were both low-income countries that relied on their diamond resource. While Botswana became an economic success of Africa, Sierra Leone regressed with its single-party system and was plagued by a devastating civil war in 1991 with funding from its diamond deposits.

Botswana with a multi-party system and a sustained democratic system that was able to use its diamond revenues productively. Also, an important difference between Sierra Leone and Botswana in diamond production was its accessibility. Diamonds in Sierra Leone's were easily extractable resources, whereas in Botswana its kimberlite pipes needed sophisticated deep-mining technology making it easier for official control (Clapham 2001; Keen 2005).

During colonialism in Sierra Leone the economy was based on iron and diamonds. The extraction economy left the urban areas as the center for trade, while rural areas were left undeveloped. Colonial rule was indirect giving increasing powers to local chiefs who lacked local accountability. The local chiefs asserted their power and controlled the allocation of resources against the interest of their constituents, while also suppressing local rivals (Berman 1998; Keen 2005). The economic reward of chiefdom encouraged rivalries among other ruling families which at times resulted in violence. The continued power of chiefs, the lack of accountability, corruption and weak state bureaucracy ensured that the political energy was directed toward local power struggles (Keen 2005). After independence, much did not changed from the colonial economy and the post-independence autocratic system led to civil wars.

Resource Rent and Conflict

Natural resources are location specific, therefore only a certain portion of a country's population reside in endowed areas. Feelings of secession may arise from those who reside in resource-rich areas and wish to control their revenues, otherwise known as resource rent seeking. This was more pronounced when residents did not identify themselves as part of their country or were not represented in their government.

In Sudan for example, there had been a long history of identity conflict between the north and the south since the south declared autonomy in 1955. The subsequent wars since 1955 were attributed to conflicts in the exploitation of resources such as fertile land, oil, minerals, water and cheap labor. The main reason for wars starting in the early 1980s was the discovery of oil in the south, which saw an inflow of international oil companies. Plans to process the oil in the south were halted as the Nimeiri government of the north opted to pipe the oil to the north with the aid of Chevron (Ayers 2010, p. 165), resulting in further rifts between the north and the south. In response, the Sudanese People's Liberation Army looted pipelines with a pledge in restructuring a new Sudan free from race, ethnicity, religion, culture, or gender discrimination.

Whether oil or lootable goods, the effect of natural resource on conflict differs. Oil is linked with the onset war, while lootable goods such as diamonds are linked with the duration of war. Oil induced war by giving incentive of separation, since ownership of the region endowed with oil gives full benefits from its revenues. Lootable goods were more likely to be used to fund and sustain rebellion since they were easier to extract and did not require capital-intensive equipment such as those needed for extracting oil. For example, the spatial deposits of diamonds made them difficult for government control, thus, easier to finance rebellions.

The civil wars in Sierra Leone, Angola, Democratic republic of Congo and Liberia were diamond wars and in several cases the revenues were so high that the incentives to reach a peace agreement were lost (Ross, 2004). In Sierra Leone, the ministry of finance James Jonah noted, "the war in Sierra Leone is simply about Diamonds" (Lujala et al. 2005). In Liberia, the civil war lasted from 1989 to 1996. During this period, 14 peace agreements were signed and 13 were broken due to the benefits of controlling the resource wealth.

Civil war, nevertheless, incurred economic and social cost upon a country, diverting funds away from productive activities and regressing human capital stock. Investments toward health care and education are also diverted toward military spending, which hinders growth. These unproductive activities were not only pronounced within the war-plagued country but also in surrounding neighboring countries.

The Economic and Social Cost of Civil War

Civil war is economically and socially costly and tends to retard development. Upon occurrence, ethnic identities are further cemented making it difficult for coexistence, thus leading to reoccurring wars (Walter 2004). Society also diverted from engaging in productive activities to those that are harmful to growth so that military spending channels money away from growth promotion (Murdoch and Sandler 2002b). The direct damages are in the destruction of physical capital and the flight of the most productive members of society.

Civil war diverts funds from human capital investments and diminishes human capital stock. Akresh and De Walque (2008) using repeated cross-sectional data from Rwanda in 1992 and 2000 found that children affected by civil war lost nearly one half year of schooling and were 15 percent less likely to complete fourth grade. In Sierra Leone Zack-Williams (1999) found that boy soldiers were simply robbed of education while girls and young women were used as commodities forced to be soldiers' wives'.

Civil war can also spillover effects that disrupts economic activities in neighboring countries. Because most African countries are either landlocked or connected to several other countries, when a civil war occurred refugee population increases neighboring countries military and aid expenses. The host countries' refugees were also likely to travel any route for safety thereby increasing their likelihood of spreading diseases. Baez (2011) found that the civil war in Rwanda negatively affected neighboring Kagera, Tanzania. In his study using data from the Tanzanian Demographic and Health Survey, he found children's schooling, literacy and adulthood height decreased and child mortality and infectious diseases increased. Montalvo and Reynal-Querol (2007) also found that malaria rates increases for host countries. Overall, Murdoch and Sandler (2002b) found that civil wars had adverse impacts on the growth rate of neighboring countries.

Refugees were also at risk of being raped and exposed to the Human Immunodeficiency Virus (HIV). Collier (2003) showed that after the end of the war in 1979 in Uganda the spread of AIDS followed the same path as Idi Amin's army. In this case, refugees from Uganda would have been likely to spread HIV to host nations. Conflicted areas in Uganda currently experience high rates of HIV due to rape by either rebels or government troops. During the civil war in Sierra Leone, many girls were subject to sexual abuse and traded sex for security, exposing them to HIV (Zack-Williams 1999). In the Democratic Republic of Congo, Schoepf (2002) noted that the mass population displacement of individuals due to civil wars, rape, hunger, and deprivation had disproportionally increased its regional HIV prevalence rates. He then continues by stating that whether as rape or as 'survival sex', sexual relationships with military officers spread HIV. In Rwanda during the 1994 genocide rape was used as a weapon of war. Post HIV prevalence rates after the return of refugees saw an increase from 3 percent to 11 percent. In general, civil wars and political instability are linked with migration within or beyond borders and promote rapid incidence of disease (DelaCruz 2007). Health and education are essential building blocks for economic development, with social capital being an externality of human capital.

Civil wars occur due to low social capital. However, heterogeneous variations in social capital do exist in civil wars. Goodhand et al. (2000) and Deng (2010) observed areas indirectly afflicted by conflicts gain greater social cohesion and areas directly afflicted by conflict displayed communal distrust. Bellows and Miguel (2006) also found in post-civil war periods there are possibilities of greater communal activisms, such as voting in afflicted areas. As devastating as civil wars are, especially with increased proliferation of small arms[9], the simultaneous creation and erosion of social capital may have some positives with the creation of new norms that may decrease future likelihoods of new conflicts.

Further, social capital also has the potentiality of generating positive and negative externalities. Positive externalities generates a radius of trust greater than that produced by a group, whereas a group with shared value for hostility fosters negative externalities reducing the radius of trust in the society they are embedded (Fukuyama 2001). Unresolved conflicts would then produce negative externalities if grievances are not addressed.

Conclusion

The causes of Africa's underdevelopment have long presented a quandary to researchers. Using historical records we find the common themes in Africa's underdevelopment were poor governance and constant declines in social capital. The slave trade reduced trust among ethnic groups as it became the dominant economic force. During colonialism, the partition of Africa into various countries without account of its already fragile social structure further weakened social capital. Whether African countries became resource extraction colonies or experienced indirect rule also worsen post-independence outcomes. The post-independence era was then plagued with civil wars as a result of unpreparedness and leaders striving for their own self-interest.

Many researchers have focused on resource rent seeking as the cause of the ongoing civil wars in Africa today. In addition to resource rent seeking, we show that part of the root cause of the civil wars in Africa today were due to diminishing social capital inherited from the slave trade and the colonial era. Because of the profitability of the slave trade the slave raids destroyed well-established political structures that united diverse ethnic groups. The slave raids led to a high degree of ethnic fractionalization, which makes the diffusion of public good difficult and hinders growth. The colonial structure also fostered ethnic fractionalization by giving preferential treatment to groups more willing to obey the colonizers' orders. These preferential treatments were in disregard of previously established social orders and affected trust between different ethnic groups. Further indirect rule gave African leaders autocratic powers at the disadvantage of their constituents. At independence, African leaders lacked training in organizing their countries. Many nations then fell into dictatorships or single-party systems. All these events cumulated in states of low social capital that persisted from the slave trade era and inevitably civil wars ensued.

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Notes

[1] The trans-Atlantic slave trade the last of the major slave trades (the others being the Red Sea, trans-Saharan, Indian slave trades) ended in the late 19th century. However, internal slave trading lasted beyond the trans-Atlantic slave trade. Arguably in the post trans-Atlantic slave trade, internal slave trade lasted well into the colonial era beginning from mid-1880s to late 1970's.

[2] The Kingdom of Kongo is the region of Africa referred to as Angola, Democratic Republic of Congo and Congo.

[3] It is important to note that before the trade of slaves occurred in Africa, trade of material goods (such as gold, spices, ivory and cloth) were first established. Implying that the kingdoms or states of Africa that traded for slaves were developed politically and economically enough to make the Portuguese their trading partners.

[4] Senegambia is the region in Africa commonly referred to as Senegal and Gambia.
[5] Other groups consisted of the Kaabu and the Mali Empire.
[6] Before Garcia II became King in 1641, the Kingdom of Kongo had four different kings from 1624 to 1641, with some terms lasting 1 year due to death related to rivalries within the Kingdom. Thus, the Kingdom was very unstable during the slavery period.
[7] Ruanda-Urundi was controlled by Germany until World War I then became a colony of Belgium.
[8] Liberia was never considered a colonized country, in all intent it was owned by the United States in 1926. The Firestone Rubber Company owned one million acres of the forests at a cost of 6 cent per acre (Rodney 1982, p. 154).
[9] The proliferation of small arms due to price, relative ease of trade, and weak governance due to historical grievances, increasingly makes them a threat in undermining economic and social development in Africa (Muggah and Berman 2001; Rotberg 2002).