

Institutions and the colonisation of Africa: some lessons from French colonial economics¹

ABDALLAH ZOUACHE*

Sciences Po Lille, 9, rue Angelier, 59000 Lille, France

Abstract. This paper will propose a comparative analysis of the conceptualization of colonisation that could shed light on the contemporary economic analysis of the colonial legacy in Africa. More specifically, this article will propose a return to old debates on colonisation, with a special focus on French 19th century political economy. Three main institutionalist lessons can be drawn from a careful analysis of French colonial economics of the 19th century. First, by institutions, the authors referred not only to the modes of colonisation – liberalism or collectivism? – but also to the actors: What should be the respective role of states and of private actors (entrepreneurs, banks, settlers) in the colonisation of Africa? Second, the colonial debates involved a discussion of property, whether in the sense of land ownership (individual vs. collective) or under the prism of property rights. Third, the analysis of the colonisation of Africa by French economists reveals an understanding of institutions as cultural values, norms or even racial attributes.

1. Introduction

Colonialism has been considered as an economic issue in the new institutionalist tradition. In one of his contributions, North (1990) suggests that the colonial powers created political institutions that resemble the ones formerly adopted in the metropolitan countries. Spain would have transplanted into Latin America feudal institutions marked by a centralised government and institutions protecting the aristocracy. On the contrary, England would have transferred decentralised political institutions and property rights, seen as pro-growth political and economic institutions. Acemoglu *et al.* (2001, 2012) and Acemoglu and Robinson (2012) go further and examine the impact of colonialism on the lack of development. Acemoglu (2003) argues that societies can choose inefficient economic and political institutions, contrary to what the application of the Coase (1960) theorem to politics would suggest. The main argument is that economic and political institutions can be chosen by a political elite

*Email: abdallah.zouache@sciencespo-lille.eu

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that does not maximise social welfare. Driven by selfishness, this elite will adopt predatory behaviours that result from conflicts inside societies or are the product of external forces such as the colonial power. In this perspective, European colonialism appears as a political system of domination which has imposed political and economic institutions on the societies colonised. There were differences between French, Spanish, English and Portuguese colonial empires. Even within each of these empires, the functioning of the colonial rule in different countries was not necessarily similar. Given these differences, Acemoglu *et al.* (2001, 2012) classify the colonial systems from a neo-institutionalist perspective. Institutions could have been either inclusive² or extractive,³ depending on the kind of colonial system, here defined in terms of the mortality rates of the population (Acemoglu *et al.*, 2001). In settler colonies, like North America or New Zealand, ‘that were relatively healthy for Europeans’ (Acemoglu *et al.*, 2012: 3077), the import of pro-growth inclusive economic institutions was possible. In contrast, in exploitation colonies where ‘European settlers were less likely to go’ (*ibid.*), a colonial system based on the extraction of natural resources led to the creation of extractive institutions. In this kind of colony, the colonial power has created a predatory political power that has tended to persist from the colonial period to the contemporary one.

It is interesting to observe that these authors adopt a classical conception of colonisation that refers to the words of ‘domination’ and ‘exploitation’. Thus, the Stanford Encyclopedia of philosophy defines colonialism ‘as a practice of domination, which involves the subjugation of one people to another.’ The book by Easterly (2006), *The White Man’s Burden*, illustrates this classical conception where colonialism is associated with domination and imperialism that involve the subjection of one people by another. To understand colonialism, according to Césaire (1955), it should be admitted that it is an act of piracy by adventurers; it is a form of civilisation which, at a moment of its history, feels itself obliged, internally, to expand at the global scale the competition between its antagonist economies’ (Césaire, 1955: 9). Fanon (1964: 90) resumes this conception: ‘colonialism is not a kind of individual relationship but the conquest of a national territory and the oppression of a people; that’s all.’ Minh (1925) thus proposes a trial of French colonisation – that is of French imperialism (Minh, 1925: 31). In an article, whose aim is to define and bound the concept of colonisation, the French historian Pervillé (1972) suggests an

2 ‘To be inclusive, economic institutions must feature private property, an unbiased system of law, and a provision of public services that provides a level playing field in which people can exchange and contract; it also must permit the entry of new businesses and allow people to choose their careers.’ (Acemoglu and Robinson, 2012: 75).

3 ‘We call such institutions, which have opposite properties to those we call inclusive, extractive economic institutions - extractive because such institutions are designed to extract incomes and wealth from one subset of society to benefit a different subset.’ (Acemoglu and Robinson, 2012: 76).

alternative conception. He argues that the essence of the colonial phenomenon is implantation, cultivation of land, population movements and thus waves of migration. Settlement in particular is seen as a basic component of the colonial phenomenon. The distinction between settler and exploitation colonies is thus secondary since the term settler colonies is ‘a truism, a pleonasm or a redundancy’ (ibid.). In both views, colonialism is often reduced to the European domination that followed the conquest of the ‘new world’. Molinari (1852: 394) then defines what he understands as the colonial system: The system of mutual subjection, political and commercial, that has presided, since the discovery of America, over the relations between the European colonies and their metropolis. To domination and violence, the analysts of colonisation add the question of government. In the introduction to his treatise on colonial economics, Maunier (1943: 8) then not only conceives colonisation as an occupation but also as a government, for safety, prosperity and morality. Are these tensions around the worlds ‘colonisation’, ‘colonialism’, ‘colony’ of an epistemological nature?

It seems to us that these tensions reveal crucial challenges for the economic analysis of colonisation. Molinari’s definition of colony reveals the role that is attributed to the individual or to the state in colonisation. Pervillé’s alternative view has property issues standing at the core of the colonial question. Reading Césaire and Fanon leads us to examine the arguments that have been used to justify colonial domination: These arguments appeal to concepts like ‘race’, culture or civilisation. These three challenges will be treated in the three sections that constitute the heart of our argumentation. The paper will examine the meaning and understanding of institutions in French colonial debates on the colonisation of Africa. Three main lessons can be drawn from a careful analysis of French colonial economics of the 19th century, from which appear three meanings of the word ‘institutions’. First, by institutions, the authors referred not only to the modes of colonisation – liberalism or collectivism? – but also to the actors: What should be the respective role of states and of private actors (entrepreneurs, banks, settlers) in the colonisation of Africa? Second, the colonial debates involved a discussion of property, whether in the sense of land ownership (individual vs. collective) or under the prism of property rights. Third, the analysis of the colonisation of Africa by French economists reveals an understanding of institutions as cultural values, norms or even racial attributes. Before dealing with these three issues, the first section will give the historical context of French colonisation in Africa.

2. The historical context of the French colonisation of Africa in the 19th century

The aim of this section is not to provide an extensive history of the French colonisation of Africa but rather to briefly present the historical context of the

African colonial question in the 19th century.⁴ Although it began without proper plans for colonisation, French colonisation took place gradually, and especially under the Third Republic,⁵ as the result of a programme. What was seen and presented as an adventure at the beginning of the 19th century, the invasion of Algiers,⁶ finished as a proper component of French foreign policy at the end of the 19th century. To our knowledge, there is no consensus among historians on the date of the beginning of the French colonial programme in the 19th century. One option is to adopt an official criterion, that of the creation of the Ministry of colonies, which occurred in the middle of the 19th century.⁷ The French minister of Navy and colonies was created in 1852. It became the Ministry of Algeria and Colonies in 1858. In England, the British Colonial Office was created in 1854 since, between 1801 and 1854, the colonial question was officially treated in the War and Colonial Office. In the successive French ministries of colonies, the plans became more precise: The colonisation by the French of African countries at the end of the 19th century was finally related to a larger colonisation plan, with the intention of establishing geographical contiguity from Algiers to Abidjan, via Saint-Louis du Sénégal or Bamako. With Jules Ferry's discourse in 1885, the colonial philosophy became clear and was based on two pillars. The colonisation of Africa became, first, the means of creating an empire that would prove the power and even the superiority of France. Africa was also seen as the place where France should draw lines of defence against the European countries. Defence and aggressive spirit were two principles that would transform the history of Africa (Adu Boahen, 1985: 1). The standard colonial narrative was based on a divide between French West Africa (Afrique Occidentale Française) and French Equatorial Africa (Afrique Equatoriale Française). These political federations did not include the colonies of East Africa and North Africa (Algeria, Morocco and Tunisia).

4 The reader looking for more detail could refer to the works of Coquery-Vidrovitch (1999, 2005, 2009), Stamm (1998) or Roland and Atmore (2005). Wesseling (1996) offers an interesting interpretation of the European colonial race.

5 The Third Republic begins after the surrender of Napoléon III in the Franco-Prussian war in Sedan in 1870 and ends in 1940 with the defeats against the Nazis. The Third Republic was a parliamentary regime.

6 The official story is that France's invasion was due to a diplomatic incident in April 1827 when the Dey of Algiers supposedly flicked a fly-whisk in the face of the French ambassador during a dispute over France's unpaid debts to Algeria. However, it seems that France needed funds at this time of political trouble. The invasion of Algiers had two advantages: it avoided the reimbursement of the French debt to Algiers and it discovered new funds for a France which was then in an unstable political situation marked by a tension between the return to absolute monarchy and the adoption of a liberal regime; the Casbah Treasury being estimated at the value of 500 million (1830) francs (Emerit, 1955). Despite this picturesque story, the invasion of Algeria lasted throughout the whole century since the last official revolts, led by Mokrani, against the French colonial power took place between 1871 and 1873, that is 40 years after the capture of Algiers.

7 For a more complete view, see Blanchard *et al.* (2008) who affirm in particular that the years 1763–1870 saw the emergence of a pre-colonial culture.

French West Africa, created by the decree of 16 June 1895, included the following territories: Senegal, French Soudan (now Mali), French Guinea, Ivory Coast, Dahomey (now Benin), Upper-Volta (now Burkina Faso) and Mauritania. Brazzaville was the capital. In 1958, these countries became member of the French community, with the exception of French Guinea (now Guinea) which then chose immediate independence. In 1960, the seven other countries became independent. French Equatorial Africa had been created in 1910. It covered Gabon, Congo, Chad and Ubangui Chari (now Central African Republic). In 1946, the statute of this federation was changed to *French Territories* assembled in the *French Union*. In 1958, French Equatorial Africa was split into the seven republics that became independent in 1960. Beyond West and Central Africa, the French also colonised certain territories in East Africa. After the takeover of Obock in 1862, the territory expanded and French Somaliland became a French colony in 1896. It became an overseas territory in 1946, then the Territory of the Afars and Issas, and became independent in 1977, taking the name of the Republic of Djibouti. After the conquest of the neighbouring island of Nosy-Be in 1841, Madagascar became a French protectorate in 1885 and then became a French colony from 1896 to 1946. After joining Free France in 1943, Madagascar obtained the status of overseas territory in 1946, its autonomy in 1958 and independence in 1960.

French West and French Equatorial Africa were not much debated in French colonial economics since these two political institutions were created at the end of the 19th century and the beginning of the 20th century. Most of the African countries, except Algeria, were invaded at the end of the 19th century, even if the French presence in Africa was more ancient, especially in the Gulf of Guinea: Since the 17th century, Gorée had always been a strategic territory since it served as a base for the slave trade. The establishment of colonies in Africa occurred in the last years of the 19th century: Senegal became a colony in 1895, the French Soudan in 1892, Niger in 1899, Ivory Coast in 1893, Dahomey in 1894, Upper Volta in 1898, Gabon and the Republic of Congo between 1885 and 1891. One finds a French presence in Guinea in the 1880s but Guinea is not a colony until 1899. Likewise, although Bangui was under French domination in 1889, the colony of Ubangui-Chari was established only in 1909. Mauritania was not a colony until 1910.

It should be mentioned that colonisation took time⁸ and happened in the context of the colonial race between the European powers, especially France and the United Kingdom, so that the establishment of colonies was linked to agreements with other European countries. For instance, the establishment of a colony in Chad was dependent on the Franco-German (1894) and the Franco-British (1898 and 1899) agreements. Finally, Cameroon and Togo became colonies

⁸ One consequence is that the official dates found in books and documents may differ between the sources.

after the First World War. Cameroon, a former German colony, became a French dominion at the Treaty of Versailles (1919), and then a territory under tutelage in 1945, when it joined the states that constituted French Equatorial Africa. Dakar was the capital of this colonial federation. The Treaty of Versailles also led to the division of Togo in two: one-third for the UK and two-thirds for the French Togo.

In fact in the 19th century, the term ‘Africa’ was often associated with ‘Algeria’. Thus, Algeria was the main intellectual challenge since the economists who dealt with the colonial question in Africa mainly examined the case of Algeria to the detriment of the other African colonies. Of course, the duration of colonisation – the settlement beginning in 1830 but the last official revolts happened in 1871 – might explain the obsession with Algeria. Nevertheless, Algeria is a special case in the studies of French colonisation in Africa, not only because of the length of the colonial invasion or the geographical proximity, but also because Algeria was included in France when the territory was annexed to France: Algiers, Oran and Constantine, the former Ottoman beyliks,⁹ became officially three French departments in 1848. The other north-African country which was colonised in the 19th century is Tunisia. The colonisation of Tunisia was also an economic affair since many French economic and financial interests were at stake – for instance, Jules Ferry’s brother¹⁰ was the director of a bank with economic interests in Tunisia (Wesseling, 1996: 60) – but political factors should not be underestimated. The colonisation of Tunisia followed the geopolitical discussion at the Berlin conference (1878) between England, France, Germany, Italy and Russia. Tunisia, then a province of the Ottoman Empire, was ‘assigned’ to France (Wesseling, 1996). In April 1881, France invaded Tunisia, which officially became a French protectorate in 1883.

3. Colonialism: the result of individual or collective institutions?

The colonial question was at the centre of political debates in 19th-century France. French economists, either liberal or socialist, aspired to play an active part in the colonial debates. This observation seems obvious for the socialists who aspired for social change and aimed to invent a future (Bouchet *et al.*, 2015). Liberal economists were also concerned by politics since they considered that the diffusion of exact notions of political economy was one of the conditions of prosperity and of order (Breton, 1985: 236). The aim of French liberal economists was to guide and to give advice to political leaders (*ibid.*). Both economists created journals and participated in the press because they wanted

9 The Beyliks corresponded to the regional administrative, political and economic organisation under the Ottoman colonial rule. The *Beys* of Oran and Constantine were under the authority of the *Dey* of Algiers.

10 Jules Ferry was president of the council of Ministers and Minister of public education and of beautiful arts when France invaded Tunisia. He has been in charge of several ministerial functions during that period. He was an ardent colonist, famous for his colonial activism (Ferry, 1885).

to diffuse their ideas, either in the political and entrepreneurial sphere or in the workers' milieu. The *Journal des Economistes*, created in 1841, was the liberals'¹¹ scientific journal but they, especially F. Bastiat, did not hesitate to intervene in the press, at the risk of being presented as a *pamphlétaire*. On the side of the socialists,¹² the style was less academic in *Le Producteur*, *Le Globe* or *L'Organisateur*, and J. Proudhon was famous as a *pamphlétaire* too. When Enfantin took control of the journal *L'Algérie*, he clearly had in mind to participate in the political debates around the colonial question (Zouache, 2015). Despite the publication of scientific or press articles, it seems to us that two books are representative of French colonial economics in the 19th century, *Colonisation de l'Algérie* published in 1843 by the socialist Enfantin, the Father of the socialist sect; and *De la colonisation des peuples modernes*, the second edition being published by the liberal Paul Leroy-Beaulieu in 1882, who at that time held the Political Economy Chair at the Collège de France. Both books provide theoretical and practical analyses of colonialism. Yet, at the beginning of the 19th century, it was not obvious that colonialism would be defended by liberal economists.¹³

Bastiat was, indeed, a fierce opponent of colonialism. Bastiat proposes a version of liberalism derived from natural rights theory (Solal and Zouache, 2000) in which every intervention that substitutes for exchange is conceived as a disturbance of economic harmony. Bastiat believed that the world is naturally organised according to immutable and divine principles in favour of individual welfare. Society should not artificially intervene but, on the contrary, should let individuals pursue their own interests and discover these principles on the market: 'Interests, left to themselves, tend to harmonious combinations, to the progressive preponderance of the general welfare' (Bastiat, 1851: 5). In his article on colonisation, Bastiat (1851) argues that public expenditure allocated to colonisation is taken, one could say stolen, from the individual and from society. Colonisation has adverse effects on the development of France since it prevents private expenditures and investments. As colonisation is financed by the public budget, that is by taxes, it causes mis-investments in capital and in labour in the colony. Colonisation thus disrupts the natural laws governing the distribution of capital and labour in a territory: 'Shifting labour, it is moving workers, it is disturbing the natural laws governing the distribution of the population in the territory' (Bastiat, 1850: 40). This analysis of colonialism is coherent with his conception of man: 'Fraternity is spontaneous, or it is not. Imposing it is to annihilate it. The LAW may well force man to remain just; it would try in vain to force him to be devoted.' (Bastiat, 1848b: 301, italics in the text).

11 Nineteenth century liberal economists included the names of F. Bastiat, A. Blanqui, M. Chevalier, C. Dunoyer, J. Garnier, H. Passy, P. Rossi (Breton, 1985: 233), to which should be added the names of P. Leroy-Beaulieu and C. Juglar.

12 The main socialist figures were P. Enfantin, Bazard, P. Leroux, E. Cabet, L. Blanc, J. Proudhon and P. Buchez (Bouchet *et al.*, 2015: 19).

13 See Clément (2013).

Bastiat's view remains a minor one within the liberal tradition. The rupture appears with the publication of Tocqueville's *Travail sur l'Algérie* (1841) where the liberal author not only supports colonialism but also supports the ravages of Algeria by any means (Tocqueville, 1841: 112–113). Even if Tocqueville was not an economist, he exemplifies the gradual changes of the liberals' view on colonisation. The issue is no longer to think of the opportunity to colonise. The challenge is to propose a framework that could lead to efficient colonisation. The opposition with the French socialists stands there, since the latter have never been opponents to colonialism as such.

Thus, contrary to Bastiat (1851), Molinari is not against colonisation in principle. He defends the ideal of a free colonisation (colonisation libre). He compares different colonisation systems during European history. The Ancient colonial system was clearly the best one for him since it gave more liberty and freedom to the colonists, letting them settling the country by themselves rather than being dependent on their previous country (Molinari, 1852: 394). In Molinari's view, the success of colonisation in the 19th century lays in the liberal dimension. As a proof, the English people, the people of liberalism, had been the most successful in building a colonial empire (Molinari, 1852: 396).

In this perspective, Frédéric Lacroix, former Prefect of Algiers, wrote two articles on colonisation, in the May and August issues of 1851 of the *Journal des Economistes* in which he limits the role the State: It should be in charge of works with public utility, like drying the marshlands and building commercial ports, but should also have a social policy towards the new settlers, especially the poorest (building houses for them, supplying food, domestic animals and seeds). After one year, the State should let the settlers work and live by themselves. Even if the State should not take care of everything, and has no obligation to provide police or church services in every village (Lacroix, 1851b: 140–141), Lacroix defends 'the colonisation by the State' (Lacroix, 1851b: 149). It is important to notice that this last advice is marked by a footnote where appears the comment of Joseph Garnier (1851: 150, fn.1):

The author [Frédéric Lacroix] has said above 'under the patronage of the State', and this is of better value than the direction of the State; because the civil directors would rapidly meet as much inconvenience as the ones he has mentioned for the military authorities. The State has a big thing to provide in Algeria, which is security; and, except for the construction of large roads and some works of public utility, it would be wise to leave the rest to the initiative of industry. With security, the incentive of private interest will attract capital and workers who will do their business by themselves, without interference by the administration. Too strong an intervention by the administration would cause too many obstacles to the development of colonisation. It is important to make in Algeria only natural establishments. No colonisation is better than an artificial colonisation.

This comment reveals the ambiguities of the French liberals when it came to the colonial question. These ambiguities are clear in Leroy-Beaulieu's (1882) treatise on colonisation. Leroy-Beaulieu proposes a lengthy critique of what he names the colonial pact defined as a 'system of reciprocal restrictions' (Leroy-Beaulieu, 1882: 547) that had led to the intervention of the State as a colonial agent. The colonial pact was organised around five restrictions: restrictions on the exports of the colony's goods to places other than the 'motherland' restrictions on the import of foreign goods into the colony, restrictions on the import of colonial products from foreign colonies, restrictions on the transport of goods from and to colonies on ships coming only from the metropolis, restrictions on the industrial transformation by the settlers of the raw materials into manufactured goods. According to the then leader of French liberalism, the colonial pact goes along with protectionism and monopolies in trade that result in negative effects on consumption and production, and ultimately impedes the implantation of progress in the colonies. On the side of consumption, the colonial pact means a rise in the price of exported and imported products but also a diminution in the qualities of goods. The main argument against the colonial pact is that it prevents the economic development of the colony since it blocks the development of agriculture and of local industry (ibid.: 560): 'There is no need for a colonial pact to ensure frequent relations between the metropolis and its colonies. We do not need artificial measures' (Leroy-Beaulieu, 1882: 563). At the same time, the essence of Leroy-Beaulieu's general theory of colonisation is that the State should organise the colonisation of Africa, and, to a less extent, Asia: 'either France will become a great African power, or it will be in one or two centuries a secondary European power' (Leroy-Beaulieu, 1882: IX). Colonialism is thus a strategic issue for the whole country, which opens the door for intervention, a classic theme in the other treatise on colonisation that constitutes the building block of French colonial economics, *Colonisation de l'Algérie*, by Prosper Enfantin.

Published 40 years before Leroy-Beaulieu's treaty, this volume proposes a completely different role for the State. The central authority should organise colonisation under three principles. First, the State should expropriate the natives in order to redistribute the land to the settlers. The next section will be dedicated to this argument. Second, the State should promote a military colonisation. This aspect is crucial since it is a key difference with the liberals, even for those who recognise a role for the State. Thus, Lacroix (1851a) points to the inefficiency of military institutions in the organisation of agriculture in the colony and promotes a transfer of power from the army to civil institutions that would implant French law in Algeria (Lacroix, 1851a: 26). By military institutions, Enfantin does not only have in mind the role of the army but also the role of a military organisation: 'The colonisation of Algeria is, in my view, a unique and really providential opportunity to try, not the introduction of the army to civil engineering, but THE ORGANISATION OF AN ARMY OF

CIVIL ENGINEERING' (italics in the text). Soldiers should be in charge of community works, especially in the public sector, and may even be transformed into workers. In the 16 January 1845 issue of the journal, *L'Algérie*, Enfantin proposes a specific location for the establishment of military colonies: The region of Constantine, since the region of Oran or Algiers would need a stronger political control. In this sense, the Saint-Simonians left their socialist principles behind when they analysed colonisation. Indeed, the socialism of the Saint-Simonians considers that social harmony would be reached via sympathy since, contrary to Bastiat, they believed that the pursuit of private interests leads to anarchy rather than to order. *Laissez-faire* leads to selfishness and competition, which disrupts the distribution of income in society. The individualist social order involves individuals being assessed on the basis of their birth privileges rather than their abilities. Now social justice, as a condition for the progress of civilisation, means that individuals are ranked according to their capacities and to their contribution to the production of wealth and income. Collective institutions are needed to ensure sympathy for work as a coordination principle in society. It seems that, concerning colonisation, the collective institution *par excellence* is the army because it will serve the superior interests of society rather than the individual interests.

The State has another role to play in the colonisation of Africa. Enfantin shares Leroy-Beaulieu's opinion on the necessity to develop local industries in colonies – 'the objective, it is colonisation (. . .) The objective, it is production, agricultural and industrial production' (Enfantin, 2 December 1845). Enfantin disagrees on the appropriate economic policy. According to him, colonial economics is based on two pillars: (1) an agricultural policy that defends big land ownership and (2) an industrial policy that involves the protection of the local producers against the European industry (Zouache, 2015). This economic policy would need a rise in the budget allocated to the colony, a point that not only worried Bastiat, but also Proudhon.

The socialist thinker is famous for his rejection of a strong state. Proudhon believed in individual liberty and was suspicious as regards the control of the state: The worker should be not a serf of the State but a free man acting under his own personal responsibility (Proudhon, 1865: 92). Proudhon regrets that the colonisation of Algeria is reduced to a military occupation. Proudhon (1861b: 119) admits that colonisation is a way to increase production and a solution to pauperism but war is expensive and military colonisation engenders the extension of administration and reduces liberalism (Proudhon, 1861b: 223–226). Despite this critique of the extent of the State, Proudhon proposes a theory that legitimises the colonial intervention. In Proudhon's view, the response to the colonial question is found in the implementation of the right of force (*droit de la force*), that is the law by which an individual, a corporation, a State claims a thing as belonging to it because of its superior strength (Proudhon, 1861a: 201–202): 'I now say that there is a right of force, under which the strongest

is entitled in certain circumstances to be preferred to the weakest.’ (Proudhon, 1861a: 160–162). Violence and war are then conceived as social institutions since the conquerors constitute the right of force from which other laws are derived, from their victory:

The war, everything confirms it, is more than a fact, more than a situation, more than a habit. It is not the insult of one which leads to the legitimate defence of the other: it is a principle, an institution, a belief, we shall soon say a doctrine. Leave aside the declamations and the sentimental invectives. The war, by the mouth of the nations, imposes its reason, its right, its jurisdiction, its function; this is what we have to achieve. (Proudhon, 1861a: 98–99).

In other passages of the same book, Proudhon’s position is more nuanced, and the individual is depicted as a human being whose rights should be considered. Proudhon stresses that the force contributes to the dignity of the human being. Thus, it should be remembered that Proudhon’s position is open to alternative interpretations than the one offered here. In our opinion, Proudhon refers to the dignity of an individual to use his force. From this dignity, according to Proudhon, the right of force should be recognized as the institutional foundation of international relations. When an individual, or a nation, uses its force, it imposes a right that should be recognized, because, as an individual, or as a nation, it has the dignity to use its force. One main implication for the colonial question is that Proudhon’s view provides an institutional legitimacy of violence between individuals, between nations, where colonisation can be regarded as the imposition of the right of force, and the State can be regarded as a key institution since, when it makes war, it also creates the laws that will be imposed on the colonised countries. One main issue is then the kind of property system that the State could impose in the colony.

4. The institution of property as a colonial challenge

The etymological sense of the term colonisation refers directly to the land: The settlers are the ones who leave their homeland to go and cultivate lands (Brunschwig, 1960: 44). An immediate question appears: Who owns the land? If one accepts Proudhon’s theory of the *droit de la force*, the response is immediate: the conqueror. Despite the colonial massacres, a large population was living on the African territory. The first step of French colonial economics was thus to provide theoretical arguments that could justify the expropriation of the natives. *Enfantin’s Colonisation de l’Algérie* clearly displays this ambition.

Tocqueville (1841) defends a settlement through private property. *Enfantin* (1843) and *Urbain* (1861) refuse the imposition of the individual ownership system of land because, in their Saint-Simonian beliefs, it would lead to the introduction of competition between smallholders pursuing their own selfish interests. There was also a risk that the small colonists would replace the State

in its colonial mission. Why is the State the primary actor of colonisation? The State is able to determine the collective welfare (see previous section) but the main reason is that it has the power to expropriate the natives to organise the redistribution of land to the settlers (Zouache, 2009: 441–443). The only location where it could be possible to maintain the individual character of property is the urban centres. It should be mentioned that the State should not only expropriate land for agriculture but also for industry. *Enfantin* therefore supports a mixed property system where the State would expropriate the land and redistribute it to the bankers who would then be able to finance investment projects in the colony. Indeed, in the Saint-Simonian doctrine, the use of credit would facilitate the financing of the projects of the most able in society, the industrialists, which would lead to a distribution of income in their favour instead of the idle aristocracy. Via his discussion of land ownership in the colony *Enfantin* is clearly promoting a state capitalism where the bankers, the representative of the State, and the military would lead the colonial project. Changing the institution of property in the colony thus means developing this new territory.

Lacroix rejects this Saint-Simonian philosophy of colonisation based on the utopian principle of association, which destroys individual intelligence, private initiative, the love of property – all the engines of wealth creation (Lacroix, 1851a: 31). Nevertheless, Lacroix converges with *Enfantin* in his insistence on land ownership. Lacroix argues that a crucial challenge for the success of civilisation is to define clearly property in Algeria: bounding the land owned by the State, by the tribes and by individuals, securing the ‘indigenous property’ with official titles and legal documents (*ibid.*: 27), regulating the distribution of water (*ibid.*: 28), and ruling property with laws rather than with decrees (Lacroix, 1851a: 25). Yet, in Lacroix’s opinion, making clear the status of property is not a military challenge since it means a defence of civil institutions, that is, the implementation of French law in Algeria (Lacroix, 1851a: 26).

Juglar (1853a: 101) also considers that the forms and the stability of land ownership are a key challenge in the success of colonialism. Parent (2016, this issue) argues that Juglar can be seen as a forerunner of the neo-institutionalist explanation of colonialism. As shown in Parent, (2016: 22–27), Juglar (1853) highlights the adverse impact of insufficient property rights, distorting subsidies, inappropriate regulation and lack of incentives in French colonisation. In our view, what is also worth noting in Juglar’s analysis of colonisation is the link he makes between land ownership and property rights. First, on land ownership, Juglar’s view is not original for that time. Like Leroy-Beaulieu (1882), he supports a system of extensive land ownership and he regrets that, from 1830 to 1846, this system was not realised in the colony. Juglar (1853a: 113) thus welcomes the 1846 ordinance on rural property because it gives the same legal framework as in France. With this opinion, Juglar shows that he has understood the challenge of creating property rights when it is a question of colonialism. Indeed, like Lacroix (1851a), Juglar highlights the instability of land ownership in Algeria because

property titles are not protected. Listing the obstacles for colonisation, Juglar points to the role of unstable property rights in securing the ownership of land:

Finally, the form of property has been held responsible, the various conditions changed so many times since 1830, from which concessions were made, the little confidence, the very instability of these concessions, since, by a termination clause, the owner was constantly threatened with expropriation, and therefore with complete ruin. This latter charge was legitimate. (Juglar, 1853b: 225).

Juglar makes another important link between land ownership and property rights. He points out that the choice of a middle size for land concessions has driven the large capital inflows away from the colony (Juglar, 1853b: 226):

The Ordinance of 1845 (July 21) came to stop this so desirable development of individual activity, imposing unenforceable terms for anyone who wants to undertake a major exploitation. Having rejected their assistance we have thus been deprived of the greatest and most indispensable means of colonisation. This is the capital inflows. (Juglar, 1853b: 227).

Juglar's view is coherent with Leroy-Beaulieu's conception of colonisation as the emigration of capital:

The real nerve of colonisation, it is much more capital than emigrants. France has an abundance of capital; she likes making it travel; her trusting hand disseminates capital in the four corners of the universe. She already has 20 or 25 billion worldwide, and each year this number increases by at least a billion. If a third or half of that amount, even a quarter, were carried to Algeria, Tunisia, Senegal, Sudan, where we shall end, I hope, by ensuring our dominance, what splendid results we would get in twenty-five or thirty years! (Leroy-Beaulieu, 1882: VII-VIII)

Investments in capital create new opportunities, new markets and enlarge the size of the markets for the national production (Leroy-Beaulieu, 1882: 538). Furthermore, the additional exports help to pay for the excess of imports over exports (*ibid.*: 539). Capital accumulation in the colonies is harmless since it benefits from the legal institutions of the *metropolis*, which gives more freedom and provides a partial system of justice (*ibid.*: 541). In modern terms, direct investments in the colony benefits from economic institutions that guarantee property rights.

5. Culture as a colonial institution

French colonialism is famous for its reference to the *mission civilisatrice*. As stated by French historians, specialists of the colonial question: 'The French colonists are heirs of Rome, Christianity, the Crusades and the Revolution' (Bancel *et al.*, 2003: 88). One dimension of the civilizational discourse was

the racial dimension (*ibid.*, p. 89). Were these dimensions significant in French colonial economics of the 19th century?

When we look at the Saint-Simonian conception of colonisation, it seems at first sight that the civilizational dimension was secondary, or at least interpreted in a manner different from at the end of the 19th century. Indeed, Saint-Simonian colonial economics is based on the utopian principle of association. To associate means to combine, to coordinate and involves cooperation between peoples. In Chevalier's *Mediterranean System* (1832), association is universal because it embraces the entire globe and implies a general *oeuvre* in which all nations participate. Nevertheless, the racial question eventually appears on the scene. Thus, in *Lettres sur la race noire et sur la race blanche* (1839), D'Eichthal (1839: 5–6), a member of the Saint-Simonian group, proposes a 'zoological' approach to the concept of association where the 'black race', 'the wild world of Rousseau' (D'Eichthal and Urbain, 1839: 16), is described as being deprived of political and scientific capacities that could be acquired from contact with the 'white race':

It seemed to me that the difference in distinctive features of the two races is based on the general difference in the distinctive character of the sexes; they formed *A COUPLE* in which the white race represented the male and the black race the female, and thus humanity reproduced the gender duality law which all organic beings obey. (D'Eichthal, 1839: 15)

It is clear that the analysis of the colonial question in Proudhon is directly connected, as in the Saint-Simonian doctrine, to a racial conception of relations between individuals, peoples and states. The application of the law of force to the colonial question is also part of the duty of the 'civilized race' to implement its power to educate the 'inferior race'. From this viewpoint, Proudhon's position on slavery is significant. In his essay on property, Proudhon regards slavery as assassination (Proudhon, 1840: 13). However, Proudhon does not accept 'racial' equality:

We analyse blacks as if they were our peers, as could have done the Roman or the Greek of the Gaul, of the Jew, their equal as a man, but becoming, by the fate of war, their slave. But one fact that must strike all minds, and which is impossible for any serious friend of humanity not to take greatly into account, is that it is the inequality that exists between the human races, which makes so difficult the problem of the social and political equilibrium. It is not only because of the beauty of his face and the elegance of his posture that the Caucasian stands out among all; this is because of the superiority of his physical, intellectual and moral strength. And this kind of superiority is multiplied tenfold by the social state, so that no race can resist to us. (Proudhon, 1861a: 221–222)

The mission of the 'superior races' is to civilize the 'inferior races', that is to say, to improve, to strengthen, to educate, to ennoble them (Proudhon, 1861a: 222) and not to abolish slavery. This civilizing mission has to be conducted by the State.

It is important to note that, in the beginning of the 19th century, the term ‘race’ referred to cultural features that depicted civilisations (Bancel *et al.*, 2003: 89). During the century, the notion had gradually been included in the historical analysis of the evolution of societies so that, from the notion of ‘race’, the gap was short towards the idea of a hierarchy between ‘races’: ‘The “superior race” is the one which conquers and imposes its culture.’ (Bancel *et al.*, 2003: 91). According to these historians, the colonial question played a key role in the reference to the supposedly – individual or social- racial features in the production of the civilizational discourse. It seems that French colonial economics has indeed been influenced by these abstract categories. This influence has a very interesting consequence on the interpretation of culture as a colonial institution that should be imposed on the natives.

Leroy-Beaulieu is perhaps the best illustration of the institutionalist conception of colonisation where colonialism appears as a way to implant and diffuse a culture in the colony:

Colonisation is the expansive force of a people, it is its reproductive power, its expansion and multiplication through space; its submission of the universe, or a large part of it, to its language, its customs, its ideas and its laws. (Leroy-Beaulieu, 1882: 641–642).

This institutionalist dimension is crucial at two levels. The first aspect deals with the conception of colonialism it endorses and the question of colonial legacy. A crucial issue in the contemporary literature (Acemoglu *et al.*, 2001, 2012) is the question of institutional persistence. Leroy-Beaulieu (1882) offers a clear explanation: The success of economic colonisation depends directly on the imposition of the culture and, most of all, the colonial system will persist only if the culture has been implanted, whatever the political system and the property rights:

Whatever the political organization and the economic legislation, two peoples united by language and race will always maintain, in their way of being, in their tastes and habits, ineffaceable similarities, and that can be counted among the strongest links as regards trade relations. (Leroy-Beaulieu, 1882: 547).

The best guarantees for durable commercial relations between the *metropolis* and the colonies are given by ‘the natural links of language, race, capital, the community of education, ideas, customs, the correspondence of needs and tastes.’ (Leroy-Beaulieu, 1882: 564). Economic colonisation is thus the spread of ‘strong industrial habits’ (Leroy-Beaulieu, 1882: 515) and culture, ‘the community of languages, habits, traditions’ gives a comparative advantage to the *metropolis* compared to foreign nations, even in a system of ‘free colonisation’ where the liberty of trade is respected.

The second aspect of this institutionalist view is that colonisation is education (Leroy-Beaulieu, 1882: XIII). Colonisation is even a duty that the mature society

owes to the young one because it will help to develop the natural faculties of the colony (ibid.). Thus, in Senegal, what matters is to train ‘a core of intelligent men’ in French morals, legislation and ideas; this elite would then spread civilization through the whole colony (Leroy-Beaulieu, 1882: 403). Lacroix (1851b) agrees with this view. When he proposes practical policy advice for a successful colonisation, he ‘remains convinced of the deep change of ideas and usages of this still barbarian people.’ (Lacroix, 1851: 137) which would occur when the native population was in contact with our ‘customs and habits.’ (ibid.). Only Juglar (1853a) has suggested an alternative view: That colonisation has destroyed previous efficient cultural institutions.

Conclusion

The aim of this article was to examine if certain lessons could be drawn from French colonial economics for a contemporary analysis of the colonial legacy in Africa. In this conclusion, the historical lessons provided should not be viewed as ‘truths’ and they do not have the aim of rejecting other working hypotheses. The idea is to offer alternative views of the analysis of the colonial legacy in Africa, and thus to provide working hypotheses that future work could dismiss or confirm. Furthermore, like other methods, the historical approach has limits for understanding contemporary issues, and the following lessons should be read bearing these limitations in mind.

One result of this article is to show that, despite their philosophical differences, French liberals and socialists both accepted the idea of colonising Africa, except Bastiat who had a clear position. Juglar is a special case since he did not clearly reject the idea of colonisation but rather defended the idea that French colonialism was unsuccessful and thus had to be stopped. What is worth noting is the incredible richness of colonial debates in France in the 19th century. From their writings, French economists made several interesting insights that should be considered seriously, in our view, for a contemporary economist working on development failures in Africa. These insights should make us not forget that the analysis of the failures of economic development in Africa cannot be complete without taking account other dimensions, like the degree of corruption, economic and political powers, and the interactions between them.

The first lesson deals with the conflict between civil and military institutions in the organisation of colonisation to achieve progress and development. Even if the liberals stressed the importance of economic liberty, the absence of obstacles and restrictions in trade, they often joined the socialists in their promotion of military organisation. Except for Juglar, the majority of French economists interpreted the State in terms of the army. That view implies that the political power in the colony should be strictly dependent on the military authorities. Now it seems clear that, since independence, the military authorities have often been in charge of economic development in the former French colonies. The persistence of the

role given to military institutions to organise development could have different origins. First of all, it could be the return to pre-colonial military regimes. But it is also important to notice that the battle for independence often led to the constitution of de facto military entities with weapons and power that they were not ready to abandon after independence. Our article provides another working hypothesis: The idea that the military institutions should organise economic development could be an explicit heritage of the colonial period.

The second lesson is related to property. The current literature insists on property rights but, with the exception of Juglar, often forgets that there is a strong connection between land ownership and property rights. Leroy-Beaulieu and Juglar made clear that property rights are not only a condition for an increase in capital accumulation but they also showed that these property rights could not emerge if the coloniser does not create appropriate legislation on land ownership.

The third lesson is very interesting for economists working on institutional persistence. The standard explanation for the persistence of inefficient institutions is that the political powers inherited from the colonial times tend to reproduce extractive economic institutions because the post-colonial elite does not maximise the social welfare but acts as a predator. What we learn from French colonial economics is that inefficient economic institutions may persist whatever the political power. Institutions persist because they are reproduced via culture: In Leroy-Beaulieu's view, the colonial institutions are also a collection of habits and customs that he understands as a culture. This cultural persistence of institutions is not explored in current neo-institutional economics but was at the centre of old institutional economics (Zouache, 2017). It could thus be interesting to return to this institutional transmission channel to explain the endurance of colonial inefficient economic institutions in former colonised countries.

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