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Diana Hart, Jacob Kovacs, Atoosa Moinzadeh, and Aliza Qaisar
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Colonial influence on growth: Exploring the diverse heritage of the United States, Pakistan, and Nigeria

Introduction

Per capita income varies widely from country to country, as do rates of growth (Table 1). To explain present conditions of global inequality, a natural starting point is colonialism. It would be truly strange if colonial systems designed to enrich colonizing nations and often lasting for hundreds of years somehow left no impression on the global landscape. Yet, counterintuitively, economic literature on the subject seems to suggest that colonization made a *positive* contribution to growth in colonized countries, despite its unequal and oppressive nature. We explore highlights of this economic literature, then (to reconcile it with obvious moral concerns) suggest that there are in fact two important questions, related and easily conflated but best kept distinct; the difference between them is a matter of scale. After exploring economic literature that poses the first question, we pose the second and addresses it through case studies of the United States, Pakistan, and Nigeria.

Colonialism and growth across countries

Acemoglu, Robinson and Johnson (2001) address the relationship between colonialism and growth indirectly in an influential study that mainly sought to clarify the possible independent role of institutions in promoting growth. In the conceptual design of their research, colonialism provides an exogenous shock allowing them to crack open the potentially circular relationship between institutions and growth. Unsure whether growth enabled the spread of good institutions or good institutions sparked growth, they theorize that under colonialism, colonizers imposed both good[1] and bad ("extractive") institutions, independent of colonized nations' resource endowments and therefore permitting investigation of institutions as a separate causal force. They further theorize that colonizers' expectations of mortality predict how likely they were to settle, and that quality of colonial institutions corresponds with the number of colonizers (few colonizers form extractive institutions, while a large settler population insists on good institutions for its own sake). Then, regressing present growth on historic expectations of mortality and inferring quality of institutions, they find a "reversal of fortune" phenomenon where institutional configurations prevail over geographic "fortunes". Thus, Acemoglu et al.'s study seemingly corroborates an earlier landmark study by Hall and Jones (1999) which argues the primacy of institutions in supporting and fostering growth. Indirectly, they suggest that colonial arrangements were not uniformly detrimental to colonized countries, since imposed institutions may have been more growth-oriented than the traditional arrangements they supplanted.

[1] Acemoglu, Johnson and Robinson define "good institutions" with respect to protection of property rights, and measure institutions with Political Risk Services' "risk of expropriation" metric.

Table 1. Summary statistics for world GDP per capita and GDP growth rates (2012).

	Mean	***Stdev***	***Max***	***Min***
GDP per capita	$14,006	$19,532	$103,858 (Luxembourg)	$251 (Burundi)
Growth	3.11%	4.91%	15.22% (Sierra Leone)	- 47.55% (South Sudan)

Sources: World Bank, "GDP growth (annual %)", 2012; World Bank, "GDP per capita (current US$)", 2012.

Easterly and Levine (2012) focus directly on the relationship between colonialism and growth, using data on colonial settlement levels that supports conclusions markedly different from Acemoglu et al.'s[2]. Easterly and Levine find that historical settlement levels correlate positively with present levels of growth, and that the marginal effects are *higher* at low levels of settlement. In other words, even at overall low levels of settlement, a small increase in the number of European settlers correlates with higher levels of present growth. This conclusion challenges the institutional channel proposed by Acemoglu et al., which depends on the assumption of effectively dichotomous settlement patterns and corresponding institutional arrangements. That there is a high marginal gain at low levels of settlement supports without proving definitively the human capital channel hypothesized by other researchers (such as Glaeser, La Porta, Lopez-De-Silanes and Shleifer, 2004, below), and again seems to assert a positive dimension to the colonial heritage of colonized countries.

Glaeser et al. (2004) reject the position that institutions cause growth. Instead, they pinpoint the relative timing of institutional changes and construct a case that human capital accumulation precedes institutional change, causing the growth that permits good institutions to emerge. Surveying literature on institutions and growth, they criticize popular measures of institutional quality for potential overlap with human capital, and point out (contra Acemoglu et al.'s interpretation) that "Europeans who settled in the New World may have brought with them not so much their institutions, but themselves, that is, their human capital" (p. 274). The human capital dimension of colonialism is explored in more depth by Engerman and Sokoloff (2005), who compare colonies' differing distributions of human capital and find that colonies with more equal distributions of early human capital enjoy higher present day growth. They describe a plausible scenario in which the elites of less resource-rich colonies (for instance, in North America) sought to attract labor by providing more widespread opportunities for human capital accumulation. A broader national base of human capital, then, translated into better and sustained levels of growth in the long run. Concerning the debate about causes of growth, Engerman and Sokoloff's study contributes evidence against the institutional position, while their implications concerning the influence of colonialism are, simply, that its influence varies in accordance with differing opportunities for human capital accumulation.

"Across" versus "within"

Apparent from this brief review of literature is the fact that many economists whose work touches on the issue of colonialism are motivated by curiosity over the sources of growth. By and large, their interest does not lie in chronicling the welfare impacts of colonialism. Easterly and Levine (2012) capture this sentiment with their remark:

[2] Checking Acemoglu et al.'s proxy for settlement levels—expected mortality—against their own data on settlement levels, Easterly and Levine find it an inaccurate predictor of actual settlement.

> GDP per capita today cannot measure the welfare effects of European settlement; it can only measure economic activity within a particular geographical area. Although there is no question about European oppression, the effect of European colonization on long-run economic development remains an open question (p.7).

Collier (2007) makes comments in a similar vein but goes so far as to complain about others' continuing interest in the moral and political repercussions of colonialism:

> What is it about aid that causes such intense political disagreements? It seems to bring out the worst in both left and right. The left seems to want to regard aid as some sort of reparations for colonialism. In other words, it's a statement of guilt of Western society, not about development … The right seems to want to equate aid with welfare scrounging. In other words, it is rewarding the feckless and so accentuating the problem. Between these two there is a thin sliver of sanity called aid for development. It runs something like this: We used to be that poor once. It took us two hundred years to get to where we are. Let's try to speed things up for these countries (pp. 99-100).

Against two competing, politicized and overtly moral positions, Collier adopts a technocratic stance. This third position sets aside questions of welfare and accumulated moral debt, focusing instead on the technical riddle of growth: what causes it? How may it be further promoted?

In line with Collier's mindset, the question of interest in much economic literature is, roughly, this: Did colonialism have an across-the-board, consistent effect on growth that can be identified through statistical analysis of all former European colonies? Clearly this is a question addressed to the experiences of a *population* of countries, which invites answers in the form of statements like Easterly and Levine's: "the data and estimated coefficients indicate that 47% of the development outside of Europe is attributed to the share of European settlers during the early stages of colonization" (2012, pp. 27-28). If these sort of conclusions are upsetting, perhaps one way of rounding out the picture—short of centering welfare impacts in economic inquiry into colonialism—is posing a second question, this at the level of individual countries.

Colonialism and growth within countries

No longer an attempt to identify a universal pattern, the question becomes: What effects did colonialism have on a particular country's growth? Of course this question leads to less generalizable answers, but it is perhaps more likely to identify variations that are of utmost importance to people interested in accounting for the lasting harms of colonialism (people who, in other words, do not take lightly the notion of 'Western guilt' or the idea that Western successes were enabled by suffering and scarcity elsewhere). Looking within the borders of a single country ensures that trends which are true in the aggregate are not let to eclipse the experience of a particular place.

Within economics, Nunn (2009) identifies a promising trend in this direction, noting that successors of Engerman and Sokoloff (2002) and Acemoglu et al. (2001) have already begun to refine their analysis of colonial legacies, bolstered by new microdata and more precise econometric identification strategies. For instance Dell (2010) examines the *mita* system of forced labor in Peru and Bolivia finding negative effects on present growth, while Banerjee and Iyer (2005) find comparatively positive effects from colonial versus traditionally-administered revenue collection systems in India. Nunn credits these researchers' unit of analysis (regional) with enabling them to uncover and interpret rich data that tell more nuanced and compelling stories (2009, p. 69). Bruhn and Gallego (2012, p. 433) represent another instance of this approach, as they look within Latin American countries to categorize colonial institutions ("good, bad, and ugly") and estimate regional impacts on growth, finding significant sub-national variation in impacts according to institutions.

Together these studies illustrate potential gains from more sophisticated units of analysis. Ziltener and Kunzler (2013) underscore the need for more refined categories when they catalog the many dimensions along which colonial experiences may vary, noting that common demarcations in econometric studies (e.g., nationality of colonizer or duration of colonization) are apt to obscure important divisions. Spatial variation of colonialism within countries, the uncertain "temporal boundaries of colonialism" (p. 291), and the reality that specific colonial practices may have multiple legacies (e.g., colonial health systems that were also possible vectors of iatrogenic HIV transmission; Pepin, 2011) mean that tendencies to analyze and pronounce conclusions at the scale of countries should be resisted until countries can be meaningfully sorted into categories reflecting important cleavages in colonial experience. Especially if the influence of colonialism on growth is to be meaningfully discussed, it is necessary to move beyond first approximations for colonial impact (such as settler population levels).

Case studies are useful for developing these refined categories; abstraction works best when underpinned by detailed analysis, not simplifying assumptions. Moreover, a case study approach is essential for choosing appropriate counterfactuals against which Kaniyathu (2008) insists growth effects be measured—in other words, the relationship between pre-colonial institutions and growth cannot be ignored (Michalopoulos and Papaioannou, 2013). With this in mind, we chose case studies to include countries with widely varying present day income and growth levels (Table 2), located in different global regions but having the same colonial nation (Britain). Our subsequent analysis focuses on country- specific imprints of British colonialism, and aims to identify important channels whereby colonialism influenced growth.

Table 2. Summary of case study countries: U.S., Pakistan, and Nigeria (2012).

	GDP per capita	***GDP growth***	***Gini coefficient***	***HDI rank***	***Independence***
United States	$51,449	2.78%	40.8[a]	3rd	1776
Pakistan	$1257	4.02%	30.0[b]	146th	1947
Nigeria	$2722	6.75%	48.8[c]	153rd	1960

Sources: World Bank, 2012; UNDP (2012).

[a] In 2000 (latest available data).
[b] In 2008 (latest available data).
[c] In 2010 (latest available data).

The United States

The story of the relationship between growth and inequality in the US economy is a complicated one—today, with a GDP per capita of $51,449 and ranked 3rd in the Human Development Index, the country's steadily rising Gini coefficient stands at 40.8, ranking it 4th in income inequality. The country's history of colonialism dates back to the 15th-18th century, where the foundations of the country were rooted in inequality. On the eve of the American Revolution in 1776, the top 20 percent of Americans controlled 95 percent of the wealth, and whites made up 96 percent of all wealth holders, with only 3.6 percent of all blacks owning any wealth at all (Weinberg, 2002). Over 200 years later, the gap between these two racial groups remains, and in the past recent years, it has hardly budged (Plumer, Washington Post, 2013).

"Two hundred fifty years of slavery. Ninety years of Jim Crow. Sixty years of separate but equal. Thirty-five years of racist housing policy. Until we reckon with our compounding moral debts, America will never be whole," begins "The Case For Reparations," *The Atlantic*'s ten chapter long analysis on the state of racial inequality in the United States, released in May of 2014 (Coates, 2014). Its message proved to be a rude awakening, and most importantly, a needed reminder that in order to address economic inequality in the United States, we must consult and address its historic roots.

While inequality in the United States goes beyond and is more than a "black and white" issue, the institutions developed during institutionalized slavery against the background colonization, and the maintenance of such discriminatory institutions post colonization, are not only worth considering, but also worth connecting with and comparing to recent speculations, that inequality is heavily linked to human capital and education, and technology (as suggested by scholars Goldin and Katz, 2009).

The question at the forefront of our case study of the influence of a colonial history on the growth of the US economy is the following: How have past institutions and economic models informed or re-manifested themselves in the current economy, and, was growth contingent on the preservation of inequality?

A summary of economic history, growth, and the development of inequality

Information on the economic framework of the pre-colonial populations inhabiting the land now comprising the United States is quite limited—native populations were reputed to primarily partake in combinations of hunting, gathering and farming. It is quite evident that the arrival of European settlements profoundly altered and interrupted these economies. With the emergence of early settlements, or "colonial bubbles," and the establishment of the first permanent settlement of Jamestown in 1607, native populations lacked the immunities to survive the disease brought by these settlements while Europeans traded amongst themselves. These settlers came primarily looking for gold, riches, and imperial power (Wikipedia, n.d., "Economic history").

The New England region's economy began steadily growing during the colonial era, and with that came the establishment of infrastructure: roads, bridges, structures, etc. Plantations, usually using free slave labor, produced valuable crops. Slaves, "exempted from the protections of the crown, became early America's indispensable working class—fit for maximum exploitation, capable of only minimal resistance" (Coates, 2014). Efforts to establish good institutions became evident, as the political system sought to make the settlement a business-conducive environment: this included the emergence of dispute resolution, contract enforcement, and early emergence of property rights. Except for slaves and various indigenous peoples, these economic conditions resulted in high standards of living for the inhabitants of the colonies (Wikipedia, n.d., "Economic history"). And, these institutions and conditions most certainly encouraged future settlement (Engerman and Sokoloff, 2005) with a small increase in the number of European settlers correlating with higher levels of present growth, and as Easterly and Levine (2012) suggest. Settlement levels are related to current GDP growth trends—in effect enhancing the already growth fostering impacts of these institutions and policies.

Additionally, such characteristics go hand in hand with Acemoglu, Robinson and Johnson's (2001) speculations that settler colonies tend to establish institutions that contribute to economic growth. But, it becomes rather clear that this could potentially signify a "middle-way" categorization of the United States as an "extractive-settler" colony: with the treatment of existing populations and the emergence of exploitive slave trade as evidence, such institutions were only meant to benefit the colonizer and the future influx of settlers (in effect, not the enslaved or the colonized). This calls for a need to diverge from the binary and hold "good" settler economies like the United States more accountable for their true impacts on the existing and subjugated populations. Notably, before the American Revolution wealthholders constituted only 23.9 percent of the adult population. Of 498,693 blacks in 1774, only 17,761 owned any wealth (3.6%); of 1,802,258 free whites, 430,872 owned some wealth (23.2%). Thus, whites made up 96 percent of all wealthholders. At the same time enslaved workers numbered 480,932—all more or less without property (Weinberg, 2003). Land served as capital in the economies—and the economic system in place made sure that land and wealth were only meant for the colonizer.

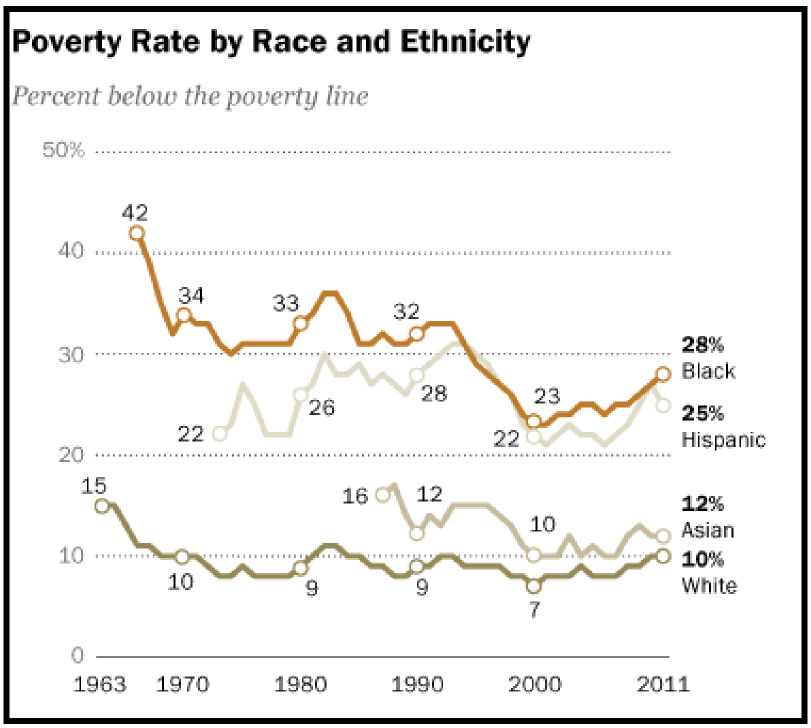
The Americans in the existing colonies demanded the right to select their own representatives to tax them, which was refused by the British. The existing economy allowed for the war, which lasted from 1775-1783, to be financed without economic collapse or much vulnerability. The emergence of a new nation resulted in the establishment of many institutions and systems to create a unified "common market," which meant no internal tariffs or taxes on interstate commerce. The period following after this independence, during the late 18th century and 19th century, was extensively growth intensive. The emergence of innovations such as the cotton gin in 1793 resulted in the expansion of slave-labor backed plantations and in turn the financing of infrastructure and internal improvements (Wikipedia, n.d., "Economic history"). By 1860, "slaves as an asset were worth more than all of America's manufacturing, all of the railroads, all of the productive capacity of the United States put together," Yale historian David W. Blight has noted. "Slaves were the single largest, by far, financial asset of property in the entire American economy" (Coates, 2014). It has been estimated that slave brought tens of millions of dollars into antebellum America. In 1860, as Coates further notes, "there were more millionaires per capita in the Mississippi Valley than anywhere else in the country."

The story of growth, expansion, and urbanization, continued well into the 19th century. The Civil War in 1860 ushered in the abolition of slavery, and with the abolition of slavery, the income of former slaves rose as they had the opportunity to become wage laborers, tenant farmers, or sharecroppers. Much debate ensues on whether or not the Civil War sped up the rate of economic growth (Andreano, 1962). The abolition of the slave-labor system made southern cotton plantations much less profitable, and industrialists came to dominate many aspects of the U.S. economy.

The periods following were characterized by industrialization, growth, and steady institutional innovation, as well as war overseas, financial crises, deregulation, inflation, and recession. While the economic history of the United States in the 20th and 21st century becomes complicated and seemingly less traceable to colonial structures and institutions, factors such as Jim Crow, educational, civil, political, and economic segregation, housing discrimination, violence, etc. prevailed as mechanisms to maintain racial inequality in the United States post colonialism. As we delve more into inequality, and how it has been sustained over time, we can start to see how a colonial history has indeed impacted the current economic disparities and inequalities between certain groups in the United States. And, we can begin to see new theories and phenomena emerge —whether or not these are linked is subject to speculation.

Inequality in the United States: Then and now

As mentioned previously, the United States is currently a very unequal country: with a Gini coefficient of 40.8 which is rapidly increasing, questions arise as to why the United States, founded on inequality, remains unequal today after experiencing rapid growth, development, and advancement. History suggests that the rampant inequality during colonial times and until the abolition of slavery was undoubtedly a racial one. Institution-driven restriction of access to education, the seizure of wealth and capital, the prevention of the accumulation of property and capital, etc. left black Americans hundreds of years behind their other counterparts. One of the largest periods of growth during the slave-labor plantation period was entirely dependent on the subjugation of an entire group of people who were barred from accumulating their own wealth or building their own capital.

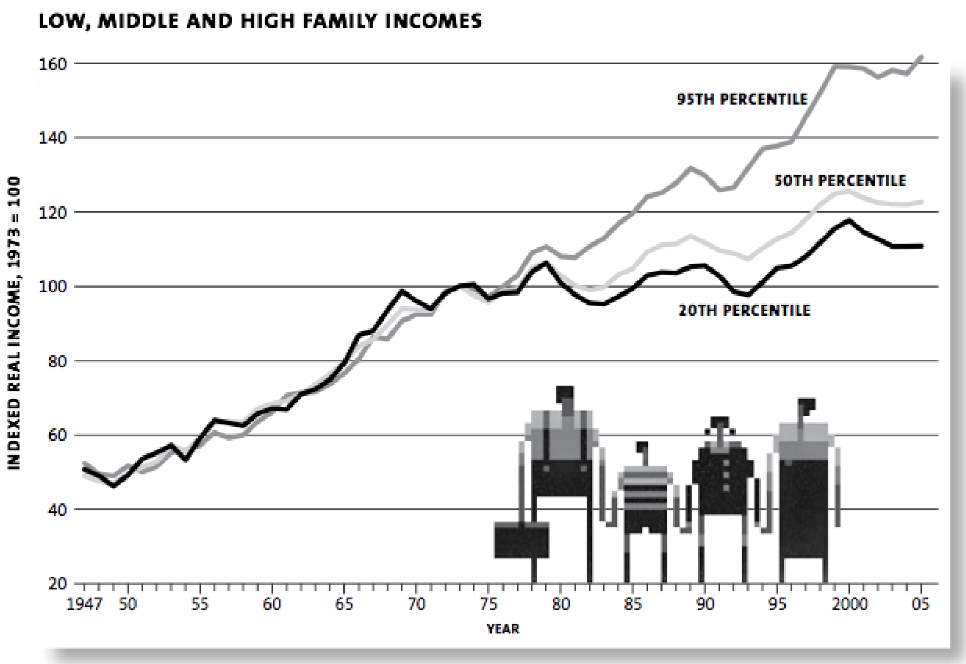


Source: Plumer, 2013

In “The future of inequality: The other reason education matters so much,” Goldin and Katz attribute the current state of rising inequality in the United States to “the race between technological change and educational attainment,” (2009, p. 28). Goldin and Katz note how important and in demand educated workers were in the beginning of the 20th century, even among blue-collar workers. The difference between then and now, however, lies in technological acceleration. Technological change, which increased the demand for workers with skills, greatly accelerated within the past several decades compared to the sluggish rates in previous periods (Goldin and Katz, 2009, p. 30).

Indeed, educational attainment has had great deal of impact on American wealth attainment and income stability. As Goldin and Katz precisely explain, “A more-educated person today (one who is college-educated) is different from a more-educated person in the past (one who had a high school diploma)," and this change has rapidly transpired in a matter of decades (2009, p. 32). But which groups are accessing education, and which groups are lagging behind?

As Linda Darling-Hammond (1998) reminds us in "Unequal opportunity — Race and education," as late as the 1960s most black and Native American students were educated in segregated schools that were funded at rates many times lower than those serving whites, and were excluded from many higher education institutions. This was directly preceding the period of 1973 to 2005 where, as recalled in "The future of inequality" (Goldin and Katz, 2009, p. 28), "increases in the economic returns to investments in education account[ed] for about 60 percent of the rise in wage inequality". As Goldin and Katz further note, "Broad access to education was, by and large, a major factor in United States economic dominance in the 20th century and in the creation of a broad middle class … the American dream of upward mobility both within and across generations has been tied to access to education," (p. 29).



Source: Goldin and Katz, 2009

For more than the first half of the 20th century, blacks were largely restricted from the access to upward mobility due to the institutions and systemic inequalities put in place. In recent history, it has been noted in many places that race and access to education are linked: The historical relationship in the United States between white and racial/ethnic minorities plays a role in the current educational inequality: "The enslavement of African Americans removed the access to education for generations. Once the legal abolishment of slavery was enacted, racial stigma remained … It was not until 1968 that Black students in the South had universal secondary education. Research reveals that there was a shrinking of inequality between racial groups from 1970-1988, but since then the gap has grown again" (Wikipedia, n.d. "Educational inequality").

Inequality in the United States has been informed by history, and its beginnings as a colony has informed the current state of inequality. As many scholars have theorized, slavery and free labor has played a large role in the formation of a world economy. In the United States, we can see that many institutional and systemic inequalities have not only maintained themselves, but have also made their lasting impacts and impressions on newly emerging sources of inequality. It is evident that not enough has been done in past and current institutional arrangements to remedy this: and as called upon by Coates, there is no better time for the United States to acknowledge and tackle its “moral debts” (and resulting “economic debts”) than now.

Pakistan

The goal of this section is to explore the history of British Rule in India and its long-term consequences in Pakistan today, in order to derive whether this particular case of colonisation was beneficial for the region or destructive.

The British East India Trading Company was established in 1600 as a joint-stock company. It was formed due to India’s favourable geographical position as well as the riches its land had to offer. The East India Company traded in materials such as cotton, opium, silk and tea to places such as the Caribbean. It was under the indirect control of the British government. Eventually, backed by its own private army, the East India Company began to rule large areas of India. During this time period, the East India Company was authorised to judge the cases of its English employees. Future charters extended power by authorising the company to decide legal cases of its employees as well as people living in the settlement. They used British Common Law to determine the results of these cases.

According to Iftikhar Malik, “Politics, education, administrative reforms, missionary work, and gradual industrialization were the hallmark of this pre-1857 era of reforms, but they produced mixed responses from a variety of Indians” (p. 97). While some Indians responded well to their westernization and used it to gain upward social mobility, others strongly opposed it. In 1857, a large-scale outbreak was caused by the refusal of the Third Native Light Cavalry to use greased cartridges that were being issued across the Bengal army. The cartridges, rumoured to contain cow and pig fats, and forcibly opened with the use of men’s teeth, struck at the heart of Hindu and Muslim faith. This utter disregard for the traditions of the Indian people can be exemplified through multiple events, all of which contributed to the growing resentment the sepoy felt for his British superior.

After the 1857 Indian Mutiny, which was arguably the largest protest in Indian history, Prime Minister Lord Palmerston abolished the company and replaced it with direct control under Queen Victoria by the Government of India Act, 1858. This officially marked the beginning of British Rule in India. During their rule, South Asians generally cooperated with the government in several areas. They were however, opposed to political and cultural hegemony and the British met with great resistance on matters of modern education, the English language and industrialisation. The people who did not resist the educational reforms formed a new middle class of westernised professionals seeking a higher status for themselves. Areas such as Punjab and Sindh (which are now two major provinces of Pakistan) underwent extensive development in irrigation. Parents also began to send their sons to join the British army in order to gain upward social mobility.

John Stuart Mill was an employee of the British East India Company for almost half his life and “saw England and the Company as forces of progress that spread liberal values and improved mankind’s capacity for individuality and the enjoyment of higher pleasures” (p. 586). Mill however, has been accused of having ethnocentric beliefs since he argued that the British brought modernizing technologies to an uncivilised people whose laws and education had to be corrected and not respected. Despite his strong beliefs, Mill mentions some indisputable progress that British rule brought about in the realms of health care, infrastructure and education.

In contrast, upon reviewing statistical research, Lakshmi Iyer argues that the British annexed areas of India that had relatively high agricultural potential but did not invest in the human capital of these regions to significantly improve productivity and development. Iyer states that due to this underinvestment, “directly ruled areas have higher levels of poverty and infant mortality in the postcolonial period” (p. 693). This indicates that British rule did not necessarily bring about the expected level progress and improvement in some regions of India.

According to Lionel Knight, “Pakistan inherited the militarized bureaucracy of the twentieth-century Punjab as well as British personnel as governors, chiefs of staff and nearly 500 army officers” (p. 330) Furthermore, Pakistan and India re-entered the world stage through their Commonwealth membership. It is also evident that there are significant contributions of colonisation that can still be seen in Pakistan today such as one of the world’s largest continuous irrigation canal system in Punjab was constructed during British rule and has been a great asset to Pakistan’s agricultural sector which has contributed to about 24.4% of Pakistan’s GDP as of 2012, according to the World Bank, and employs about half of Pakistan’s working population. The most agricultural production occurs in the province of Punjab. In 2008, over 18 million tonnes of wheat were produced in Punjab compared to nearly 4 million tonnes produced in Sindh and 1 million in Balochistan.

Today, Pakistan has a semi-industrialised economy with agriculture, textiles, chemicals and food processing as its main industries. The growth of Pakistan is concentrated along the Indus River in Urban areas such as Karachi in Sindh and Urban centres in Punjab. The economy has struggled in past decades due to political instability, a fast growing population, mixed levels of foreign investment as well as costly on going confrontations with India. In 2013, Pakistan spent 3.1% of its GDP on military expenditure, according to the World Bank. Inflation has also been a significant issue for Pakistan’s economy with inflation reaching as high as 25.0% in 2008, following the surge in global petrol prices. Secondary private schools in Pakistan follow the British educational system by conducting GCE Ordinary level, Advanced subsidiary level and Advanced level board examinations. The General Certificate of Education is an academic qualification that examination boards in the United Kingdom award to students all over the world.

After independence, the legal and judicial system of the British era continued in Pakistan with the addition of a few modifications in order to suit the requirements of the new Republic. According to Dr. Faqir Hussain, this was so that “neither any vacuum occurred nor any break resulted in the continued operation of the legal system” (p. 9). In 1980 however, the Federal Shariat court was established (consisting of 8 Muslim judges) with jurisdiction to determine on its own, or on the request of a citizen or a provincial or Federal government whether a certain law is unacceptable to Islamic Law.

Overall, it is a complex and difficult task to pinpoint the exact ways in which British Rule in the subcontinent has affected Pakistan and its economy today. Pakistan has definitely carried on using British Common Law and the British educational system is prevalent in most private schools across the country. In terms of economic contributions, the greatest asset to Pakistan attained from British colonisation seems to be the large irrigation canal channels in the province of Punjab that allow Pakistan’s agricultural sector to provide employment within the economy as well as to make up a significant portion of Pakistan’s exports. However, we must also take into account that British officials sent remittances to the United Kingdom from the subcontinent for over a century. These remittances could have been invested into the growth of the economy but instead, helped England's Balance of Payments and further damaged the BOP of India due to the Englishmen's taste for foreign goods that were translated into excessive imports into the subcontinent. Colonisation also created an inferiority complex across the subcontinent as even British officials belonging to the lower class of English society saw themselves as superior to Indians. Although the British imposed a legislative system that treated all races in the region equally, their sometimes-forceful westernisation tactics attacked the beliefs and identity of Muslims and Hindus across the region and created an aura of hostility between groups. Thus, the British Raj is often accused of using a divide and rule approach.

Whatever the case may be, it is evident that colonisation is a phenomenon which is unique to it's time and region. Thus, it will have specific consequences in each of the areas it rules. Pakistan has benefitted from British rule in certain aspects but we will never know where Pakistan would be today if the subcontinent had not be colonised. Would it still be a part of India and would it still be considered a developing country? Fortunately, Pakistan is still a relatively young country at the age of 67 with a growing population of young adults and so, its future may still hopeful if it can somehow manage to stabilise its government and the implementation of its laws.

Nigeria

"Before gold and diamonds were discovered in South Africa in the 1880s, no region in Africa was more attractive to the European powers than Nigeria" (Falola, 2009, p. 1). The colonial period officially began at the end of the 1800s but the relationship between Europe and Nigeria began long before with the Trans-Atlantic Slave Trade. This initial violence-based relationship was perpetuated as official colonization began as "colonization was achieved in Nigeria either by the use of war or by surrender because of the threat of war" (Falola, 2009, p. 1). This violence later found its way into the governments after independence in Nigeria and has become a way of life for Nigerians.

The British began to discuss the subject of the ending of slavery in Africa and how they could be involved in the process. Dr. Fola Soremekun wrote on the subject, explaining the three major ideas that emerged: "that the slave trade should be stopped at its very source in the interior of Africa, that the British Government should help substitute another trade for it, and that Britain should take over certain parts of Africa to help Africans learn to produce items that would replace the obnoxious trade [of slavery]" (Soremekun, p. 139). As Europe pushed into the Industrial Revolution, palm oil was desired for machine lubrication and the British began to push palm oil trade onto African coastal chiefs instead of slave trade through treaties. However, these treaties weren't well communicated and led to "English traders (and later consuls) to seek to intervene in the internal politics of these kingdoms to further their own interests—manipulating, for example the *trust trade* system to their own advantage" and ultimately to Africans distrusting the new white men (Soremekun, p. 141). Before official colonization, the people of what is now Nigeria were already weary of the foreign people coming in.

Colonization

Soremekun argued that "British trading policy was essentially to build an empire based upon commerce, to monopolise that trade by pushing aside African middlemen whom they saw as obstacles to 'free trade'. The policy was to continue alongside their drive to open up the interior to trade, to stop the slave trade and to help the humanitarians spread Christianity" (Soremekun, p. 141). With the death of then vice-consul, James Philips, who led a small group into Benin in attempt to have a treaty signed, the British took full advantage of the situation to use stronger military force in the area and initiate colonial rule. After just two weeks, the capital fell and shortly after "European merchants entered the region to benefit from trade and the region's oil and rubber resources" (Philip Igbafe, qtd. in Falola, 2009, p. 11). As Britain continued its control over the region, the Royal Niger Constabulary "indicated that colonial domination would be accompanied by exploitation and violence, including the excessive use of power and violence to pursue narrow economic objectives and the transfer of wealth outside of Nigeria" (Falola 2009, p. 16). As Toyin Falola explained in his book, Colonialism and Violence in Nigeria, "one of the most decisive factors in the success of the British was superior technology" (Falola, 2009, p. 17). Be it their more modern ships or far more advanced weapons like machine guns with large magazines, the British had an edge up on the native people of the region who had limited access to a much more dated weaponry supply.

However, these violent actions weren't random and as Soremekun argued, "every military 'pacification' scheme was carefully and deliberately effected as it was realised that failure might spell disaster and diminish the white man's mystique. The objective of every pacification scheme was to 'decapitate' the society by destroying the power of the local chiefs" (Soremekun, p. 147). This concept was further explored by Falola who discussed the role of Harold Douglas who was involved with low level colonial rule who "ruled like a despotic king" and "maximized the use of raids and wars and felt that exercise of colonial power should be based on coercion." Falola went on to explain how Douglas' "goal was to produce unquestioned respect for the white man and he believed that violence was necessary if this goal was to be achieved" (District Officer's Report as referenced in Falola, 2009, p. 27). Many of the leaders within the colonial power exploited the conflict within the Africans who "helped the imperialists by clinging to old rivalries and prejudices against one another, at a time when they should have come together to resist the British-led forces, often small in number, too often sent against them" (Soremekun, p. 147).

Not every aspect of being a British colony was directly as negative as the violence that the Nigerians faced. Railways and other necessary infrastructure were implemented for the movement of the cash crops and importation of British manufactured goods. However, this system was put in place to support the colonizer, not the colony. As Ibrahim Gambari explained, "it could be said that 'when the British economy sneezed, the colonies were forced to prevent or minimize the cold'. Nevertheless, such development, and in particular the opening up the transport links over vast distances, greatly fostered the country's unity" (Gambari, n.d., p. 164). With the implementation of taxation and the prevention of Africans to have anything more than a low-tier government position, "it gradually because almost impossible for Africans in the colonial administration to rise to positions of any authority" (Flint, qtd. in Gambari, n.d., p. 168) which increased animosity.

The pressure for self-governance and a move away from colonialism was advanced "in Nigeria in the late 1940s the ranks of the nationalists began to swell with students who were returning home from studies in western Europe, usually Britain, or in the USA; ex-servicemen returning from war service in the Middle East, East Africa, Burma and India; and the local bourgeoisie and entrepreneurs who believed that self-government would improve their competitive position vis-à-vis foreign-owned business" (Gambari, n.d., p. 169). The British believed that a slow transition of power through numerous constitutional reforms was the best way to transfer power and emphasized the conflict between the North and South as reasons to be weary of independence. Instead of creating a peaceful transition, "the radicals and the marginal parties believed that their violent words and actions were necessary to obtain "complete independence" for Nigeria" (Falola, 2009, p. 150).

Independence

While finally achieving Independence in 1960, the road to a successful, self-standing would be long a difficult for Nigeria. They were a mash-up of different ethnicities and religions over three large and diverse regions. Even if Nigerians were a more cohesive group of people, as explained by Gambari, "the advent of colonial administration in Nigeria crippled the development of indigenous socio-economic and political structures. The purpose of European colonialism was to develop the metropolitan countries, and the contact between Europe and Africa has therefore led to the underdevelopment of the latter. The intellectual, industrial and technological areas of national life were the ones most seriously and deliberately underdeveloped by the colonists" (Gambari, n.d., p. 172).

With numerous ethnic groups, religions, and political viewpoints, the first election was incredibly competitive and when the UPGA felt harassment and intimidation from other political parties, they pushed for a postponement but ultimately failed. When UPGA attempted to run in the future, massive election rigging by the ruling NNDP party made it nearly impossible for UPGA to gain seats. Having lost faith in the Federal Government and the prospects of seeking justice through the judiciary, UPGA supporters took the law into their own hands, burning the property of NNDP supporters" (Dare, p. 194). Desperate for a functioning and seemingly fair government, the people of Nigeria were supportive of the military coup in January of 1966 "because the military appeared to give them hope of a better government" (Dare, p. 194).

Unable to unify the country, Gowon, the current military leader, "made a bold move on 27 May and subdivided Nigeria, including the Eastern Region, into twelve states, declared a state of emergency and assumed full military powers" (Dare, Pp. 199). In response, Ojukwu declared the East a free state. The civil war that ensued lasted from June 1967 to January of 1970. Falola explained the civil war as an expression of the norm that violence has become in Nigera. "Violence has become an integral part of Nigerian political culture, where it is often used to resolve major arguments and conflicts between the state and its citizens, between the state and its component units (as in the case of the civil war of 1967-1970), and between civil society and the state. Intracommunity disagreements in Nigeria are also often resolved through resources to violence rather than through a slow deliberative process of dialogue and persuasion" (Falola, 2009, p. 171).

The creation of states by Gowon survived the war and the concept thrived within Nigeria. However, Nigeria was still not in the clear as "three issues were clear: the nation's foreign exchange reserves were inadequate, it was necessary to increase both domestic savings and foreign exchange in order to finance capital imports; and it was difficult to insulate the economy from inflationary pressure. The civil war created additional complications" (Falola, 1999, p. 132).

The end of the civil war allowed for additional oil exploration and led into the Nigerian Oil Boom of the 1970s. Crude oil doubled in production and exports from 1969 to 1970 and experienced a 94.5% growth rate and jumped to be 58.1% of total exports (Petroleum Inspectorate and Federal Office of Statistics, qtd. in Falola, 1999, p. 133). However this growth had done little to close the development gap in per capita incomes and the East had been devastated in the war. "And though the GDP and the per capita GDP show indices of economic advancement, they obscure other features such as socio-economic security, the state of the development of natural resources, the condition of the health of the people, and the stability of the economic system" (Falola, 1999, p. 135-6).

Transfer of businesses to Nigerians benefited the wealthy and those connected to the government and those in agricultural regions experienced greater poverty because they "did not see much of the gains from oil [and] had to use their limited amount of money to buy imported necessities at inflated costs" (Falola, 1999, p. 145). Ultimately the unrest resulted in a bloodless coup and the overthrow of Gowon in 1975. While Muhammed had numerous plans to fix many of the problems from Gowon's regime he was killed during an unsuccessful coup and Obasanjo gained power. He worked quickly to please elites and ethnic leaders by creating seven new states, bringing the total to nineteen. "Carved out of the existing states and given creative names and new governors, the new states provided opportunity for the creation of thousands of jobs and rapid promotion" (Falola, 1999, p. 155).

Despite the creation of a new constitution and the Second Republic, Nigeria faced many old problems yet again. The Christians feared the growing power of the Muslims and rates of violence grew alongside unemployment and inflation. "As many expressed doubts as to the longevity or survival of the republic, those with power saw corruption as the most urgent task. Not knowing when the military would strike, the first assignment in office was the steal as much money as possible" (Falola, 1999, p. 176). The Second Republic ultimately fell and the country returned to military rule but this time the generals took a more authoritarian appearance who "failed woefully to tackle the problems of corruption, and very readily resorted to the use of force to silence an opposition to their power" (Falola, 1999, p. 179). After Babangida vacated office, his replacement Abacha took office and a few years later mysteriously died before he was able to seek his plan of self-succession.

Nigeria today

General Abubakar came into power with the plan of preparing and transitioning Nigeria into democracy. Despite numerous improvement, violence was perpetuated as noted by Falola in his 1999 book, *The History of Nigeria*, where he stated that "In areas consistently anti-Abacha, those who refused to make peace with the public suffered either public ridicule or even physical attack as in the case of a Yoruba businessman, Alhaji Arisekola Alao, who was chased out of the commencement ceremony at the University of Ibadan after students had destroyed all his cars" (Falola, 1999, p. 207). This perpetuated violence, Falola argues, is based in "the nation's past and the way that violence has become "legitimate" as a strategy of politics" (Falola, 2009, p. 181).

Attahiru Jega and Jacqueline Farris note the difficulties that Nigeria faces as they have developed in their book, *Nigeria at Fifty*:

> One of the main challenges arises from the nature and character of Nigeria's colonial history and the associated legacies of colonialism. As a postcolonial society, inherently embedded socioeconomic contradictions in the Nigerian political economy find expression in decision-making and policy execution, particularly in shaping and influencing foreign policy. For example, the manner in which the country was cobbled together by British colonialists had engendered a relative lack of a collective sense of nationhood, which constrains all policies, especially foreign policy. First, the infusion of mutual fears and suspicions as a framework for relationships among Nigeria's multiethnic and religious groups has ensured that little coherently defined national ethos exists (Mustapha 2008, p. 370). A natural corollary of this has been confusion and ambiguity, which characterises the definition of Nigerian national interest and the lack of commitment of the elite to its pursuit (Jega and Farris, p. 233).

These unresolved ethnic issues have generated additional violence. The army and police that the British established ultimately because an obstacle to development as "it was garmented by ethnicity, and white it later presented itself as a "national organization," its recruitment patterns and the politics of the officers and rank and file were based on ethnicity and regionalism" (Falola, 2009, p.183).

With the tensions between the military, police and citizens and between different ethnic and regional groups, it is no surprise that the primary source of wealth in Nigeria today has presented the largest problem as well. "With a maximum crude oil production capacity of 2.5 million barrels per day, Nigeria ranks has Africa's largest producer of oil and the sixth largest oil producing country in the world" (NNCP Group). However, "crude oil production in Nigeria reached its peak of 2.44 million bbl/d in 2005, but began to decline significantly as violence from militant groups surged, forcing many companies to withdraw staff and shut in production… and still remains lower than its peak because of ongoing supply disruptions" (EIA). The crude oil thefts, force majeures, and unfair allocation of revenue has left such open rebellion that "the violence in the Niger Delta [has] moved close to assuming the character of a civil war" (Falola, 2009, p. 184).

Conclusion

We have focused here on American inequality (especially of land and human capital); the opposing forces of extraction and investment in Pakistan; and Nigerian conflict. These different channels are merely some of the ways in which colonial history continues to shape countries' growth and relative wealth. Taken together, the range of cases here illustrate some of the complexity that cannot be captured in coarsely coding colonial experience for econometric analysis. In particular, the 'mixed blessings' aspect of colonial heritage is apparent—from educational systems that infuse human capital but violently displace cultural traditions, to colonial public health systems that improve some health outcomes while the density of forced labor operations (mining and plantations) permits new diseases to spread as epidemics. All this points to the need to carefully attend to the diversity of countries' experiences before seeking to reach sweeping conclusions about colonial influence on growth.

Beyond case studies which illuminate important specifics and suggest new analytic categories, there remains the need to identify more precisely colonial *relations* between countries. That is, a second question of interest alongside "How did colonialism impact the colonized?" is the question of "What did colonizers gain from colonization?" This question has particular significance in light of Collier's comment that "We used to be that poor once. It took us two hundred years to get to where we are. Let's try to speed things up for these countries" (2007, p. 100). Behind this sentiment lies the belief that the growth paths of rich countries are sustainable and imitable, rather than one-time feats achieved through dependence on colonial systems of extraction and domination. A fuller picture of the influence on colonialism and growth, then, would need to explore colonialism as a channel of wealth redistribution between countries, and examine the implications of this for growth.

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