International Trade
Lecture 3 – Slave Trade

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Before we arrive to neoclassical theories...

- Neoclassical theories are based on differences in endowments of factors of production
- Basic factors of production: labor and capital
- Movement of labor is usually based on a voluntary decision (voting by feet)

Example: British emigration in 17th and 18th centuries (unmatched by any other European country)
But...

• There is a part of history in which there was a forced movement of people – SLAVE TRADE (there were other forced movements of people but we will not focus on them in this presentation)
Slavery in history

• Existed in all civilizations! Examples follow:
  • Pyramid builders in Egypt relied on slave labor
  • Roman Empire was built on slave labor (at least 25 % of population were slaves)
  • Economics of the 10th century empire of Boleslavs was based on slave trade (see below)
  • Many other empires, for instance Soviet Union, was also built on slave labor (see below)
  • Slave trade we are interested in is African slave trade
  • Slavery still EXISTS today
Empire of Boleslavs

• Founded by Boleslav I after the (unplanned) murder of his older brother St. Wenceslas in 935, lasted to 70s of 10th century
• Riches based on slave trade
• Primary slave market – Prague (what is today the Small Site)
• Slaves – Slavs (pagans) from Ukraine sold to Khalifs of Cordoba (note on prices: price of man larger than price of women; size of the market: tens of thousands slaves per decade)
• Primary traders – mostly Jews, Arabs (Ibrahim Ibn Jakub visited Prague in 962/966 and reported on the city)
• Ended by rise of Poland, Christianization of Ukrainians and Hungarians, move of the trade route back to Danube
• The end of slave trade caused deep crises of the Czech state
• Next page: St. Adalbert preaching against slave trade to Boleslav II (unsuccesfully needless to say) – doors at the Hniezdn cathedral
Razzias/Ghazi as Raid

- From 11th to 19th century!
- Form of warfare aiming to raiding and looting (mostly livestock but also people)
- North Africa Barbary Pirates (confusingly labelled as „Turks“) attacked European coastal towns to capture people and sell them in slave markets in Algeria and Morocco
- Razzias were at the root of English revolution and Civil War!
- Next page: Churchmen were ransoming kidnapped Europeans in Northern Africa slave markets
Soviet Union

• Many public works built by enslaved labor
• Prime example: Беломорско-балтийский канал : built in 1931-1933 by prisoners of Stalin’s gulags
• Number of workers : 160 thousands, incl. engineers and technicians (up to 25 thousands died)
• Archangelsk – St. Petersburg voyage shortened from 5200 km to 1250 km, economic value dubious, canal cannot be used by large ships due to its shallowness – only up to 4 meters
• After the construction – the largest amnesty on Soviet Union history (12484 prisoners released, 59516 sentences cut)
African slave trade

• Existed from Roman times (and well before)
• Main routes through Sahara desert
• Slaves captured at borders of (later) islamic world (Sahel) and transported from trading hubs (Timbuktu, Gao) and then sold and distributed along North Africa and Middle East
• 9th and 10th century – black slaves may have constituted about a half of population of lower Iraq!
„Technical“ data of African slave trade

• From 1500 to 1900, Africa exported roughly 15,7 Mio slaves (Nunn, 2008)
  – Atlantic: 10,3 Mio slaves
  – Indian Ocean: 0,94 Mio slaves
  – Trans-Saharan: 3,1 Mio slaves
  – Red Sea: 1,3 Mio slaves
• “Black nations are, as a rule, submissive to slavery, because (Blacks) have little that is (essentially) human and possess attributes that are quite similar to those of dumb animals.”
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Ibn Khaldun (1332 – 1406) – Arab historian, regarded by some as predecessor of several modern sciences (including economics)
• „When civilization [population] increases, the available labor again increases. In turn, luxury again increases in correspondence with the increasing profit, and the customs and needs of luxury increase. Crafts are created to obtain luxury products. The value realized from them increases, and, as a result, profits are again multiplied in the town. Production there is thriving even more than before. And so it goes with the second and third increase. All the additional labor serves luxury and wealth, in contrast to the original labor that served the necessity of life."

• „Businesses owned by responsible and organized merchants shall eventually surpass those owned by wealthy rulers.“
BUT!

• The BIG slave trade started with new technologies – sailing ships – and new demand – from the new world

• The main demand sides – Carribean and Brazil (sugar production) and later on north America (cotton and tobacco production)
Reasons

• Indentured labor could work in Virginia (climate bearable, ain crop relatively easy to harvest)
• In Carribean, it did not suffice (despite the fact that cca 70 of British emmigration went to Carribean in 17th century!) – mortality was unbearable – 150000 migrants to Barbados produces ony 20000 population there!
• After 1700 migration to Carribean slumped as people redirected themselves to Northern America
• But Carribean was place where money was! In 1775 sugar accounted for more than fifth of British imports and were five times more valuable than tobacco imports
• Dutch did not even ask English to return New Amsterdam (todays New York) after they won second Anglo-Dutch war (but asked for Carribean islands and African bases)
• Slaves simply were to substitute voluntary labor and indigenous population wiped out by deseases
Slave Trade

[Graph showing the slave trade from 1501-1867, with countries such as Spain/Uruguay, Portugal/Brazil, Great Britain, Netherlands, United States, France, and Baltic States indicated by different colored bars.]
Effects

• Diverting activity from production to enslavement
• In West Africa, the trade in gold, pepper, hides, copper, ivory and redwood was replaced by imports of rearms, gunpowder, textiles and alcohol in return for slaves
• The rise of slave-trading states such as Benin and Ashanti. Increased war? Political consolidation?
• Expansion of slavery within Africa
• No population growth
• Institutional collapse?
Slave Exports and GDP

Source: Nunn (2008)
Slave Exports and Fractualization

Source: Nunn (2008)
Slave Exports and 19th Century States

Source: Nunn (2008)
Slave Exports and Growth Since 1950

Source: Nunn (2008)
Alternative explanation

IN EVERLASTING MEMORY
OF THE ANGUISH OF OUR ANCESTORS.
MAY THOSE WHO DIED REST IN PEACE.
MAY THOSE WHO RETURN FIND THEIR ROOTS.
MAY HUMANITY NEVER AGAIN PERPETRATE
SUCH INJUSTICE AGAINST HUMANITY.
WE, THE LIVING, VOW TO UPHOLD THIS.
Alternative explanation II

• Those who caught slave were NOT Europeans!
• The suppliers of slave were local chiefs/kings
• Slavery had a great tradition in Africa – esp. in islamic parts – esp. in „Western Sudan“ (today western Africa)
• In states of Ghana (750 – 1076), Mali (1235 – 1645), Songhai (1275 – 1591) a third of population enslaved
• Maybe, that cause of slavery and dismal performance are the same (on institutions see our course 5IE543 Social Systems theory)
Where it get all started – Elmina (Ghana/Golden Coast)

• 1481 – the first Portuguese fort in Guinea bay: d’El Mina (Elmina today), first slaves used at Madeira and Sao Tomé
How it really worked I

I. Capture – local chiefs captured slaves mostly as prisoners of war (POWs) – wars later on were started to get slaves! A new employment arose: slave catchers

II. Land transportation (coffle) to trading posts (baracoons) to factors
How it really worked II

• III. Trade – local chiefs traded enslaved people to Europeans at their outposts along the coast of Guinea bay (there were at least 60 of them there) – exclusively for GOODS (not for money or precious metals) or cowries (shells).

• Slaves were washed and their bodies were shaved and oiled to give them a good appearance.

• About 30% died there.
How much did a man slave cost?

• 96 yards of cloth, 52 handkerchiefs, 1 large brass pan, 2 muskets, 25 kegs of gunpowder, 100 flints, 2 bags of shot, 20 knives, 4 iron pots, 4 hats, 4 caps, 4 cutlasses, 6 bunches of beads and 14 gallons of brandy

• Price differential between both sides of Atlantic was a factor of eight or nine
Gate of no return...
Transport across the ocean
How it really worked IV

- Slave ships (note: famous La Amistad case 1839 – but la Amistad was not a slave ship!)
  Each ship: 450 – 600 slaves
  It took from five to eight weeks to cross Atlantic
  1 in 7 slaves died during the voyage (average number for British slave trade 1662-1807, in early years 1 in 4); HOWEVER: death rate among the crew was HIGHER!
- V: In the New World:
  Sale to new owners – it usually meant another hardship and low life expectancy
  In order to keep „the stock“ of slaves constant it was necessary to buy 8 % of it each year
  Slaves outnumbered slaverers by a factor of 10 through 20 in Carribean inslands
In total...

- the ratio of captured to sold in the New world was about 4:1! So, in total about 60 Mio people were enslaved in Africa
Trade control

• At the beginning: Portuguese had a monopoly („Casa dos Escravos“ – state trading agency) – granted by the Pope 1494)!
• Spanish joined in 1510s
• 1529, the first licence granted to a Dutchman
• Big „monopoly“ companies
  Dutch West India company (1621)
  Royal African Company (1662)
• Independent traders
Why slave trade ended? I

• It was extremely profitable enterprise! Annual return was about 8% in the long term!
• Even for Christians slave trade was supposed to be „genteel occupation“
• There was no economic pressure to end it whatsoever!
• So WHY???
Price of slaves vs. price of sugar
Why slave trade ended? II

• First abolitionists: to Quakers slavery violated biblical injunction to „do unto others as you would have others do unto you“ (Matthew 7:12)

• Adam Ferguson and Adam Smith both were against slave trade because „the work done by freemen comes cheaper in the end than that performed by slaves“

• John Wesley (vicar), Granville Sharp (lawyer)

• 1772 – the case of the escaped slave James Sommersot, the High Court stated: "slavery in this nature, morally as well politically, can not be established. It is detestable and there is nothing to justify this - not even a law. What the unpleasant conclusion of this verdict may be, it is impossible to say that slavery can be accepted or approved by the British court and Therefore I demand that this black man is acquitted“.

• The ruling ended slavery in Britain (approx. 15000), but not in her colonies!
Why slave trade ended? III

• 1780 – slavery ended in Pennsylvania, move followed by other northern states
• 1788 – act regulating conditions on slave ships passed
• French revolution (1789): „Freedom, Equality and Fraternity“ DID not apply to slaves in West Indies – revolt of 1791 at Haiti (Saint Dominique) that managed to establish as independent state in 1804
• In France slavery was abolished in 1794 but REINSTATED by Napoleon in 1802
Why slave trade ended? IV

• Clapham sect – a group of influential abolitionist lead the first great extra-Parliamentary agitation

• Anti-slavery badges on which a black figure stated „Am I not a man and a brother?“ became ubiquitous; petitions were used etc. = a birth of a new kind of politics, politics of a pressure groups which were equivalent to todays’s NGOs

• 1807 Abolition of Slave Trade Act – outlawed the slave trade throughout the British Empire

• Irony: convicted slavers faced transportation to Britain’s penal colony: Australia
Why slave trade ended? V

• 1808 – US outlawed slave trade (but not slavery!)
• 1815 – Council of Vienna – Spain, Portugal, France, Netherlands forced to abolish slave trade
• 1822 – Brazil became independent and ended slave trade due to British pressure
• 1833 – Slavery made illegal in all British Empire, slaves emancipated and owners compensated by a special government loan (between 1808 and 1830 number of slaves declined from 800 thousands to 650 thousands)
Slavery died hard

• After abolishing slave trade – demand for slaves continued – it lead to illegal trade (1,9 Mio slaves transported AFTER the British ban)
• However, British were determined to „sweep African and American seas of the atrocious commerce with which they are now infested“ and they succeeded
• Limited slave trade lead to a better treatment of slaves at plantations
• US citizens had to fight the bloodiest war in its history to end it
Did slavery really ended?

• Still exists today! There are tens of million slaves around the world...