

ZERO-SUM

Examining the Impact of the Atlantic Slave Trade on Europe and Africa

Centuries ago, a triangular trade across the Atlantic, involving Europe, Africa, and the Americas displayed the zero-sum game concept: one can only gain from another's loss. During the beginning of the Atlantic slave trade in the sixteenth and seventeenth centuries, European and Africans alike forcibly moved around two million Africans from their homes and sold them into slavery. Europe's economy thrived and they gained a bilateral advantage over Africa, who suffered a parasitical relationship with Europe. Although slave trade deteriorated their economy, Africa's reliance on European demand for slaves left them stuck with the bilateral disadvantage. The Atlantic slave trade combined Africa's and Europe's respective desires to ensure a consistent and maintained supply pattern which contributed heavily to European economic growth. This trade generated large profits for European merchants and caused the rise of a new economy. Europe's increased demand for cheap labor on American sugar plantations created a large incentive to support the slave trade. On the other hand, Africa's economy depended on selling slaves to Europe which forced them to continue this trade that was a short-term benefit and a long-term loss. The slave trade provided large profits and great political power for European merchants by constraining the power of the monarchy, causing the rise of capitalism, altering social implications, and contributing to institutional change. The Atlantic slave trade forcibly moved millions of Africans, reshaping the societies, economies, and cultures of Europe, Africa, and the Americas, and left a legacy of social inequality and racial discrimination that still remains today.

Prior to the Atlantic slave trade, Europe's economy relied on land ownership, traditional agricultural practices, and overland trade in the European region mainly consisting of luxury goods and spices. This in-country centered economy varied in large amounts compared to the emerging maritime trade that would significantly impact their economy. European demand for

African slaves skyrocketed as they were very profitable and the economy transitioned to a slave centered one.¹ Due to the slave trade a clear trend emerged: The richest European planters owned a labor force in which majority were African slaves. The rise of African slave trade was possible due to the Black Death which acted as a catalyst by killing tens of millions of Europe's indigenous population and creating a large incentive for colonial expansion: allowing African slaves to fill the spots for the dead. In the seventeenth century, Indian indentured servants cost roughly £10 to £12 while African slaves were approximately £16. Indian indentured servants cost about £3 per year of labor, however, African slaves only cost slightly less than £1.² Therefore, African slaves became a far more attractive purchase because of their higher profitability compared to indentured servants. Some were against the idea of all black workers and pushed "deficiency laws" to insist that there be a certain proportion between employed blacks and whites: this effort was unsuccessful because planters broke the law and still profited after paying the fine from the African labor.³ As seen in figure 1 on page 10, which displays the estimates of volume and price changes from 1651-1675 to the end of the eighteenth century, African Slaves' (S_s) supply curve is far more elastic than that of the curves of free labor (S_f) and indentured labor (S_i). The African Slave provided the lowest cost input, offered an investment unavailable with indentured servants, possibly provided net positive non-pecuniary returns not offered by other labor arrangements and thus created an economy in which it was illogical to purchase any other form of labor.⁴ On the merchant side of things, a historical study used a regression model and calculated the effect of the Atlantic slave trade on European growth. As seen on figure 2 on page 11, Western Europe, which was actively involved in the trade, saw a 6.9

¹ Thomas N. Ingersoll, "Plantation System," in *Colonization and Settlement, Third Edition* (Facts On File, 2017), History

² Henry A. Gemery and Jan S. Hogendorn, "The Atlantic Slave Trade: A Tentative Economic Model," *The Journal of African History* 15, no. 2 (1974): 223, 225, 230, 239, 246, JSTOR. <https://www.jstor.org/stable/181070>

³ Gemery and Hogendorn, "The Atlantic Slave Trade," 225-226.

⁴ Gemery and Hogendorn, "The Atlantic Slave Trade," 229.

percent increase in urbanization compared to Eastern Europe, which was not. These statistics are very different from the two sides' growth prior to the slave trade (1300-1500) in which Western Europe urbanization grew by only 2.9 percent compared to Eastern Europe, opposed to the 6.9 percent during the slave trade.⁵ Moving to the economic side of this data, researchers used a regression model to calculate the differential growth of Atlantic traders based on the volume of the Atlantic trade and participation of traders. As seen in figure 3 on page 12, the data in column 3 indicates that Atlantic traders grew thirty-one percentage points relative to non-Atlantic traders: and columns 4-10 show similar results. Therefore, Europe became a dominant trading power between the sixteenth and eighteenth century, largely due to the rise of Atlantic Europe and its Atlantic ports such as Liverpool.⁶ The sheer amount of benefits and incentives for slaves utterly preponderated the need for indentured servants. It therefore can be undisputed that, with the Black Death acting as a catalyst and the far more cost effective African slaves, the Atlantic slave trade would be a major pillar of the European economy: and it was. With Europe's gain, as mentioned, the zero-sum concept requires someone to lose, and in this case, that was Africa.

While the European economy continued to flourish, Africa experienced numerous civil wars and economic hardships. Though some Africans, mainly warlords and merchants, obtained vast wealth from the trade, the overwhelming majority suffered. By participating in the slave trade, many local elites gained great political power and wealth, further stretching social stratification. A primary example of this situation was the Kongo. In 1526, King Nzinga Mbemba, later known as Afonso I and the sixth ruler of the Kingdom of Kongo from the Lukeni kanda dynasty, sent a letter to Portuguese King João III expressing his distaste towards the Atlantic slave trade. This letter was especially important not only because it was between two

⁵ Acemoglu, Johnson, and Robinson, "The Rise of Europe," 554.

⁶ Acemoglu, Johnson, and Robinson, "The Rise of Europe," 572.

kings but also that Afonso I was the king of Kongo, the largest source of enslaved people in the history of the Atlantic slave trade. Afonso asserted that the trade undermined the kingdom's stability, security, and moral integrity. He demanded an end to the trade and appealed for the restoration of spiritual focus over material matters rather than commercial exploitation. He believed that the trade was not in accordance with God's service and justice.⁷ In addition to these beliefs, the trade distorted the existing systems of West African social stratification which depended on age, kinship, and other social hierarchies. The sudden European demand for slaves led to the concentration of wealth and power in the hands of few individuals who controlled the trade.⁸ Prior to the Atlantic slave trade, West Africa's economy focused on agricultural production, local craftsmanship, and trade of goods such as gold, salt, and other commodities.⁹ As local rulers discovered the potential profits from engaging in slave trade with Europeans, exchanging slaves for firearms, luxury goods, and European manufactured products, the economy changed entirely: A once sustainable, accessible economy became a heavily demanding and punishing one.¹⁰ In the short-term, the Atlantic slave trade provided great wealth for the West African Economy, but also affected the immediate political landscape and had negative long-term effects on the region's internal structures such as social stratification and economic activity. Leaders who cooperated with European traders obtained firearms and strengthened their military power, allowing them to expand their territorial holding and secure dominance over rival states. These incentives again served to deepen class divisions within societies as elites grew wealthier and the general population became increasingly marginalized. The previously rather

⁷ "Letter from Nzinga Mbemba to Portuguese King João III (excerpt)," in *Primary Source Documents: 1500 to 1549* (Facts On File, 2014), History Research Center.

⁸ Paul E. Lovejoy, "The Impact of the Atlantic Slave Trade on Africa: A Review of the Literature," *The Journal of African History* 30, no. 3 (1989): 365, JSTOR. <https://www.jstor.org/stable/182914>

⁹ J. D. Fage, "African Societies and the Atlantic Slave Trade," *Past and Present*, no. 125 (1989): 104-105, JSTOR. <https://www.jstor.org/stable/650862>

¹⁰ Fage, "African Societies," 106-108.

egalitarian societies began to fracture as wealth and power became synonymous with control over capturing and selling slaves. These motives in turn created an economic cycle of dependency as local elites relied on the slave trade as a means of gaining and keeping power and wealth.¹¹ Since local elites had already obtained firearms, they also leveraged this advantage to enslave and sell other Africans into slavery for profit.¹² This change in society reinforced the existing inequalities and added even more. Those who resisted participation in the Atlantic slave trade found themselves excluded from the benefits of the new social order. The Atlantic slave trade directly instilled competition and violence between different ethnic and tribal groups.¹³ Political and cultural changes disrupted kinship, disintegrating the collective identities that had once unified West African people. Instead of kinship's previous role as a source of strength, it became a source of division; each group scrambled to ensure its survival in a slave trade dominated society. Slavery's increased role in the political economy of West Africa acted to create long-term effects of weakness and susceptibility to future exploitation. As demand increased, the West African economy became increasingly intertwined and dependent on an external global trade network centered around European colonial powers and their need for cheap labor on plantations.¹⁴ This approach led to a reduction in agricultural production and placed West Africa in the heart of a volatile economy. As time went on, the focus on slave trade debilitated traditional systems of production and commerce and it became increasingly improbable for African societies to diversify their economies or develop industries that could have potentially supported long-term growth. Colonial powers ensnared West Africa in their economic interests to maintain wealth, power, and control over goods.

¹¹ Lovejoy, "The Impact of the Atlantic Slave Trade," 365.

¹² "Letter from Nzinga Mbemba,"

¹³ "Letter from Nzinga Mbemba,"

¹⁴ Fage, "African Societies," 107.

In regards to continents, Europe gained and Africa lost, but in regards to peoples, merchants were the real winners. The ever-growing demand for slave labor allowed merchants to profit greatly. In the beginning, the trade was solely based on bartering: exchanging goods without money. Eventually Africa began to use items as currency such as the Niger Delta's copper manillas, Western Africa's iron bars, and most notably the coastal areas' cowrie shells.¹⁵ This introduction of currencies led to large-scale importation by European merchants who imported large quantities of cowrie shells with about fifty long tons in the 1680s and about 450 long tons in the 1720s. These imports represented roughly one-third the value of all goods imported to West Africa that year.¹⁶ The growing use of money reflected the trade's ability to scale and the increasing involvement of European merchants. As money use grew, it drove increasing profits. Wages doubled from 1500-1600, increased another fifty percent from 1600-1650, and increased fifty percent again during the eighteenth century.¹⁷ In addition to these changes, the growth of the slave trade not only incentivized European merchants involvement, but also politically strengthened them and helped merchants obtain changes in institutions to protect property rights. New political institutions—similar to that of an oligarchy—formed and constrained the power of the monarchy and in result increased the political power of wealthy British merchants.¹⁸ This new government in turn protected merchants from royal power and created the desire of the monarchy to secure the merchant's property rights in hopes of encouraging long-term investments.¹⁹ Therefore, the slave trade indirectly contributed to the development of capitalist institutions by bolstering commercial interests in favor of political change against the monarchy. European merchants would use the profit from the trade to support

¹⁵ Gemery and Hogendorn, "The Atlantic Slave Trade:," 243.

¹⁶ Gemery and Hogendorn, "The Atlantic Slave Trade:," 243-244.

¹⁷ Acemoglu, Johnson, and Robinson, "The Rise of Europe," 573.

¹⁸ Acemoglu, Johnson, and Robinson, "The Rise of Europe," 550-562.

¹⁹ Acemoglu, Johnson, and Robinson, "The Rise of Europe," 562.

the conflict against the crown. The merchants' critical support of the Parliament and their eventual victory in the Civil War—and after the Glorious Revolution—strengthened their rights further. Soon after a series of policies favoring merchants passed with the most notable ones being the Navigation Acts of 1651 and 1660: which restricted trade with British colonies to British ships and merchants and strengthened the position of slave traders. In addition to these policies, authorities dismantled all monopoly charters—besides the East India Company—and established the Bank of England.²⁰ The concentrated profits seen by various merchant companies brought many wealthy merchants whose fortune was largely relative to the resources necessary for achieving political and military success.²¹

The Atlantic slave trade acted as a significant driver of European economic growth, and in turn, shaped the global economy and transformed the political landscape. Europe's high demands for cheap labor in the form of slaves reshaped Africa by promoting their dependence on European trade. Simultaneously, the slave trade indirectly created a far more powerful merchant class which played a central role in political change, leading to the rise of capitalism and overthrowing of monarchies during events like the Glorious Revolution. This was only but one of the many political reformations caused by the merchants who stood on the side of independence and change. The merchant class used their wealth to successfully overthrow kings, governments, dynasties, and states, change political structures, fuel the development of modern capitalism, and create various new financial instruments—such as joint-stock companies. Many negative consequences, on the other hand, also arose from the slave trade. Various social and racial hierarchies that originated from the trade still affect the world today. The significant historical influence that the Atlantic slave trade has had on the world regarding economics, racial

²⁰ Acemoglu, Johnson, and Robinson, "The Rise of Europe," 564.

²¹ Acemoglu, Johnson, and Robinson, "The Rise of Europe," 565.

dynamics, and politics continue to unfold in the modern world as evidenced by the persistence of racial inequality and capitalism.

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Appendix

Figure 1

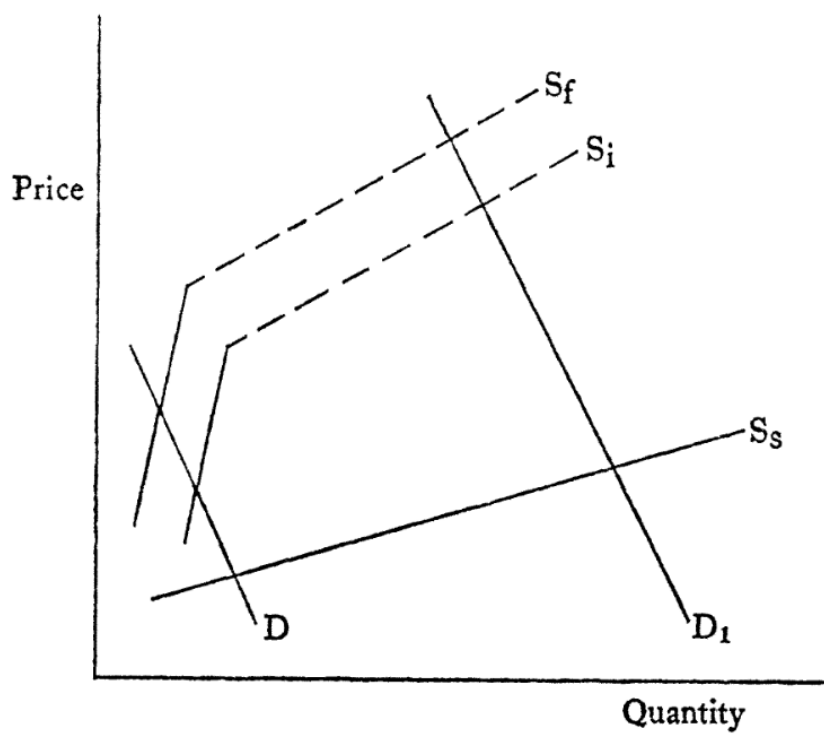


Fig. 1.

Figure 2

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TABLE 2—ATLANTIC TRADE AND URBANIZATION
Dependent variable is country-level urbanization

	Panel, 1300–1850	Panel, 1000–1850	Panel, 1300–1850	Panel, 1000–1850	Panel, 1300–1850, unweighted	Panel, 1300–1850, with Asia	Panel, 1300–1850, without Britain	Panel, 1300–1850	Panel, 1000–1850	Panel, 1300–1850, unweighted
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Potential for Atlantic trade is measured by:										
	Atlantic trader dummy					Atlantic coastline-to-area				
Panel A: Flexible specification										
<i>p</i> -value for Western Europe × year dummies, 1600– 1850	[0.00]	[0.00]	[0.45]	[0.09]	[0.80]	[0.00]	[0.12]	[0.09]	[0.01]	[0.78]
Potential for Atlantic trade × 1500			0.016 (0.021)	0.0086 (0.019)	0.055 (0.026)	0.014 (0.022)	0.018 (0.016)	0.50 (0.68)	0.38 (0.65)	0.75 (0.87)
Potential for Atlantic trade × 1600			0.006 (0.023)	−0.004 (0.021)	0.0495 (0.028)	0.0054 (0.028)	0.0085 (0.018)	0.21 (0.68)	0.03 (0.64)	0.94 (0.94)
Potential for Atlantic trade × 1700			0.032 (0.021)	0.022 (0.019)	0.071 (0.028)	0.032 (0.026)	0.024 (0.016)	1.81 (0.63)	1.64 (0.58)	2.01 (0.94)
Potential for Atlantic trade × 1750			0.032 (0.021)	0.022 (0.018)	0.073 (0.028)	0.032 (0.025)	0.023 (0.015)	2.16 (0.62)	1.99 (0.57)	2.60 (0.94)
Potential for Atlantic trade × 1800			0.048 (0.019)	0.038 (0.017)	0.110 (0.028)	0.047 (0.023)	0.028 (0.015)	3.30 (0.57)	3.12 (0.51)	3.76 (0.94)
Potential for Atlantic trade × 1850			0.085 (0.018)	0.076 (0.016)	0.115 (0.028)	0.084 (0.022)	0.043 (0.014)	5.05 (0.51)	4.88 (0.44)	4.67 (0.94)
<i>R</i> -squared	0.87	0.85	0.89	0.87	0.82	0.84	0.93	0.94	0.92	0.83
Number of observations	192	240	192	240	192	208	184	192	240	192
Panel B: Structured specification										
<i>p</i> -value for Western Europe × year dummies, 1600– 1850	[0.00]	[0.00]	[0.35]	[0.06]	[0.83]	[0.00]	[0.11]	[0.16]	[0.02]	[0.81]
Potential for Atlantic trade × volume of Atlantic trade			0.011 (0.0024)	0.0083 (0.0020)	0.016 (0.0034)	0.011 (0.0029)	0.005 (0.0018)	0.75 (0.07)	0.65 (0.06)	0.62 (0.11)
<i>R</i> -squared	0.87	0.85	0.88	0.86	0.81	0.84	0.92	0.92	0.90	0.82
Number of observations	192	240	192	240	192	208	184	192	240	192

Notes: Standard errors are in parentheses. Panel regressions with full set of country and year dummies; regressions are weighted unless otherwise stated. Weighted regressions use total population in each year as weights, from McEvedy and Jones (1978). Dependent variable is level of urbanization (percentage of population living in towns that had at least 5,000 population at some point between 800 and 1800) in each country in each year. Urbanization in Europe is from Bairoch et al. (1988), and urbanization in Asia is from Bairoch (1998). We report results with two different measures of potential for Atlantic trade: a dummy for whether a country was an Atlantic trader (one for Britain, the Netherlands, France, Spain, and Portugal; zero for all others) in columns 3, 4, 5, 6, and 7; and the ratio of Atlantic coastline to area for the Atlantic trader countries plus Belgium, Denmark, Germany, Ireland, and Norway (columns 8, 9, and 10). Column 6 includes the available data on Asia (just for India and China) and column 7 drops the data for Britain. Volume of Atlantic Trade is the log average number of voyages per year. For more detailed data definitions and sources see Appendix, Table 1.

Figure 3

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TABLE 3—ATLANTIC TRADE AND GDP PER CAPITA
 Dependent variable is country-level log GDP per capita

	Panel, 1500–1820 (1)	Panel, 1500–1870 (2)	Panel, 1500–1820 (3)	Panel, 1500–1870 (4)	Panel, 1500–1820, unweighted (5)	Panel, 1500–1820, with Asia (6)	Panel, 1500–1820, without Britain (7)	Panel, 1500–1820 (8)	Panel, 1500–1870 (9)	Panel, 1500–1820, unweighted (10)
Potential for Atlantic trade is measured by:										
	Atlantic trader dummy					Atlantic coastline-to-area				
Panel A: Flexible specification										
<i>p</i> -value for Western Europe × year dummies, 1600–1820 or –1870	[0.44]	[0.05]	[0.92]	[0.23]	[0.17]	[0.01]	[0.89]	[0.97]	[0.58]	[0.31]
Potential for Atlantic trade × 1600			0.14 (0.07)	0.15 (0.11)	0.16 (0.07)	0.14 (0.13)	0.13 (0.07)	4.43 (2.42)	4.46 (3.61)	3.42 (2.21)
Potential for Atlantic trade × 1700			0.18 (0.07)	0.19 (0.10)	0.21 (0.07)	0.18 (0.12)	0.14 (0.06)	8.84 (2.27)	8.80 (3.40)	6.32 (2.21)
Potential for Atlantic trade × 1820			0.27 (0.06)	0.27 (0.10)	0.18 (0.07)	0.27 (0.11)	0.20 (0.06)	12.03 (2.10)	11.89 (3.14)	8.06 (2.21)
Potential for Atlantic trade × 1870				0.22 (0.09)					15.84 (2.93)	
<i>R</i> -squared	0.94	0.94	0.96	0.95	0.96	0.92	0.96	0.96	0.96	0.96
Number of observations	96	120	96	120	96	104	92	96	120	96
Panel B: Structured specification										
<i>p</i> -value for Western Europe × year dummies, 1600–1820 or –1870	[0.44]	[0.05]	[0.92]	[0.48]	[0.14]	[0.01]	[0.88]	[0.99]	[0.54]	[0.23]
Potential for Atlantic trade × volume of Atlantic trade			0.069 (0.016)	0.040 (0.017)	0.047 (0.018)	0.069 (0.028)	0.051 (0.015)	3.21 (0.53)	3.18 (0.50)	2.22 (0.58)
<i>R</i> -squared	0.94	0.94	0.96	0.95	0.96	0.92	0.96	0.96	0.96	0.96
Number of observations	96	120	96	120	96	104	92	96	120	96

Notes: Standard errors are in parentheses. Panel regressions with full set of country and year dummies; regressions are weighted unless otherwise stated. Weighted regressions use total population in each year as weights, from McEvedy and Jones (1978). Dependent variable is log GDP per capita, from Maddison (2001). We report results with two different measures of potential for Atlantic trade: a dummy for whether a country was an Atlantic trader (one for Britain, the Netherlands, France, Spain, and Portugal; zero for all others) in columns 3, 4, 5, 6, and 7; and the ratio of Atlantic coastline to area for the Atlantic trader countries plus Belgium, Denmark, Germany, Ireland, and Norway (columns 8, 9, and 10). Column 6 includes the available data on Asia (just for India and China) and column 7 drops the data for Britain. Volume of Atlantic trade is the log average number of voyages per year. For more detailed data definitions and sources, see Appendix, Table 1.