Private Colonialism in Africa

Abstract
We highlight the role of concessionary companies and private enterprises in colonizing Sub-Saharan Africa and analyze companies’ practices' lasting legacies. First, we map the universe of concession companies across Sub-Saharan Africa and all colonial epochs, codifying their operations (plantation agriculture, charter companies, forestry, mining, trading) and practices (like the use of forced labor, oppression, and genocide) and investments (in roads, railroads, schools, and health). The concessionary paradigm is widespread across all imperial powers and all colonial periods, suggesting a critical omission of recent economics research. There is sizable spatial variation within colony/protectorate and, over time, with a gradual decline in violence and rising investments. Second, we characterize the presence and practices of concessions across time and colonial power. During the early phase of African colonization, concession companies operated in more remote from the coastline and the main trade routes areas, over time companies locate in closer to the sea areas, with more fertile land, and less disease. Besides, concessionary companies function in higher population density areas, in line with theories stressing the importance of African labor. Third, we explore the legacy of the concessionary paradigm on contemporary development, estimating hundreds of spatial Regression Discontinuity Design (RDD) analyses. There is wide heterogeneity in companies’ legacies as reflected in nighttime lights and development proxies from the Demographic and Health Surveys. The spatial RDD estimates are highly heterogeneous across all colonial powers and main company types, suggesting that extrapolating from single cases is challenging. When distinguishing across company practices, there is evidence that extractive practices related to prison and forced labor, genocide, and oppression of local workers go in handy with lower socio-economic outcomes and luminosity. At the same time, historical investments correlate positively with contemporary development. Fourth, we provide regional aggregates of concessionary companies' presence, operations, and practices that account for local spillovers and noise. Company extraction, violence, and monopsony-monopoly power correlate adversely with household assets, education, and employment in services and manufacturing, while investments in roads, railroads, and schools correlate positively with contemporary development. By bringing to the forefront the role of private concessionary capital, neglected aspects of colonization, the paper calls for research to understand the interplay between the colonial state and companies, the trade-offs of outsourcing colonization to private enterprises, the role of shareholders, and the agency of imperialism.