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ABSTRACT

In the late 1980s Robert Ross and co-author Pieter van Duin reversed the widely accepted view of the Cape economy as a 'social and economic backwater' of widespread subsistence farming and overall poverty, scattered with small islands of relatively affluent farmers. Exploring the rich quantitative records kept by Dutch East India Company officials, they argued that the Cape had been more dynamic and progressive than earlier historians had assumed and that the market for Cape agricultural produce had been 'much larger, more dynamic and quicker growing' than previously thought, so that 'a very considerable rate of agricultural growth' had been possible. While their work was not immediately recognised, research conducted over the last decade using new archival sources and econometric techniques have largely confirmed their empirical observations. Yet, despite these rapid advances in our understanding of the Cape economy, the image that the early Cape Colony was a 'sleepy colonial backwater whose unpromising landscape was seemingly devoid of any economic potential' persists.

Keywords: Cape Colony, cliometric, economic history, slavery, wealth
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Subverting the standard view of the Cape economy: Robert Ross's cliometric contribution and the work it inspired¹

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For much of twentieth century scholarship, the capitalist, industrialising South African economy began with the 1860s discovery of diamonds in the interior. The Cape Colony of the eighteenth and early nineteenth centuries was, to quote some prominent authors, a 'social and economic backwater', 'more of a static than a progressing community', a slave-based subsistence economy that 'advanced with almost extreme slowness'.³ The traditional view was that although pockets of wealth emerged close to Cape Town during the eighteenth century,⁴ this relative affluence was overshadowed by the increasing poverty of the frontier farmers who, 'living for the most part in isolated homesteads, gained a scanty subsistence by the pastoral industry and hunting'.⁵

In the 1980s Robert Ross, economic and social historian of the Cape, subverted this view by extolling the virtue of numbers. He was the first to recognise the value of the mass of Cape production statistics assiduously collected by the Dutch East India Company.⁶ Ross argued that the belief that early Cape farmers 'overproduced' during the first half of the eighteenth century – that the market was too small to absorb the rising production of wheat, wine and meat – was 'not only empirically false, but also conceptually absurd'.⁷ He showed that consumption was rising too, driven not only by the demand from ships sailing between Europe and the East, but also by an expanding domestic market of Company officials and settler farmers.

¹ This paper was prepared for a workshop in honour of Robert Ross to be held in Leiden from 17 to 18 September 2014.

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³ S. Trapido, 'From paternalism to liberalism: The Cape Colony, 1800–1834', *The International History Review*, 12, 1990, pp. 76–104; M.H. de Kock, *Economic History of South Africa* (Cape Town: Juta, 1924), pp. 24, 40.

⁴ L. Guelke and R. Shell, 'An early colonial landed gentry: Land and wealth in the Cape Colony, 1682–1731', *Journal of Historical Geography* 9, 1983, pp. 265–286.

⁵ De Kock, *Economic History*, p. 40.

⁶ *Vereenigde Oost-Indische Compagnie*, hereafter VOC, or the Company.

⁷ P. van Duin and R. Ross, *The Economy of the Cape Colony in the 18th Century* (Leiden: The Centre for the Study of European Expansion, 1987), p. 3.

Ross's seminal arguments of the 1980s, and his hard work digitising the production records of the Colony, breathed new life into a neglected area of South African history. Yet more than two decades later his cliometric contribution often goes unnoticed. In this paper I summarise a new body of work that uses econometric techniques and largely confirms Ross's arguments. In the introduction to her recent history of mining in South Africa, Jade Davenport suggests that before mining began in the latter half of the nineteenth century, 'South Africa was a sleepy colonial backwater whose unpromising landscape was seemingly devoid of any economic potential'.⁸ Robert Ross and his students would not agree.

THE TRADITIONAL VIEW

When three ships arrived bearing VOC officials and workmen in the autumn of 1652 to establish a refreshment station at the Cape of Good Hope, the best the new arrivals could hope for was a mild winter. Work began immediately on the construction of a fort. The leader of the party, Jan van Riebeeck, experimented with a variety of crops, vegetables and fruit to feed the fledgling community and supply fresh produce to the ships passing between Holland and the East Indies. Those early years were tough; Van Riebeeck repeatedly wrote to the VOC to explain the precariousness of the station's food supply, as the original plan to trade with the local Khoesan was not delivering the desired results. The Khoesan were less than enthusiastic about trading. Not only had the arriving Europeans displaced them from their winter-rainfall grazing areas, but they were demanding the one commodity the Khoesan valued above all, cattle. In 1657, realising that Company efforts alone would not suffice to produce enough for the passing ships, Van Riebeeck released nine Company servants to become free settlers on lands close to the fort. The process of land dispossession and colonisation had begun.

Van Riebeeck had envisaged a tight-knit community of crop farmers, but the cost of crop cultivation and the poor soil of the Cape Peninsula – bar the areas close to Table Mountain – meant that most early farmers chose to practise stock farming. His journal describes the difficult conditions the early farmers faced; many chose to stow away on ships leaving for Holland, preferring a life of poverty in Holland to one of hardship at the

⁸ J. Davenport, *Digging Deep: A History of Mining in South Africa* (Johannesburg and Cape Town: Jonathan Ball, 2013), p. 1.

isolated Cape. The situation changed little until Commander Simon van der Stel, later the first governor of the Colony, expanded the territory into the fertile area west of the first mountain ranges. Boosted by the arrival of 160 Huguenots in 1688, production finally reached a level to satisfy the demand of the passing ships around the turn of the eighteenth century.

Because the Company set prices for the various commodities, which all had to be sold to the Company itself, farmers were obliged to keep their input costs as low as possible. The Company was willing to help, offering in-kind loans of seed and equipment to the new settler arrivals. But the farmers were seriously hampered by the shortage of labour. A VOC law prohibited them from enslaving the Khoesan and the wages they offered were too low to entice the free-roaming Khoesan to work as labourers. The Company therefore decided to import slave labour. The first slaves had already arrived in the 1650s, but most were employed by the Company itself and it was only by the turn of the century that the private ownership of slaves, mostly from regions on the east coast of Africa and the Indies, became widespread. Early in the eighteenth century the number of slaves surpassed the number of settlers.

Traditionally, scholars based their interpretations of the wealth of these settler farmers on anecdotal accounts by travellers, Company ordinances and letters of complaint written by the farmers themselves. The poverty of the early farmers is juxtaposed with the affluence of the elite. On one side would be the church collecting money to give to needy farmers whose 'naked children were sleeping in the hay with horses and cattle',⁹ and on the other the Governor and his council in 1755 issuing a *plakkaat* with a view to 'limiting the number of horses, carriages, jewels, slaves, etc. which an individual of this or that rank might possess'.¹⁰ Although similar ordinances had been issued earlier, the High Government in Batavia noted in the preamble to this 1755 ordinance that the 'splendour and pomp among various Company servants and burghers' had 'reached such a peak of scandal' that the problem had to be dealt with more seriously.¹¹ Visitors also noted the expensive tastes of some farmers. In 1783, a traveller to the region wrote that on several farms he had observed 'nothing except signs of affluence and prosperity, to the extent that, in addition to splendours and magnificence in clothes and carriages, the

⁹ J.H. Coetzee, *Verarming en oorbeersing* (Cape Town: Nasionale Pers, 1942), p. 41.

¹⁰ H. Giliomee, *The Afrikaners* (Cape Town: Tafelberg, 2003), p. 30. A *plakkaat* was an ordinance, known as the sumptuary law.

¹¹ R. Ross, *Status and Respectability in the Cape Colony, 1750–1870: A Tragedy of Manners* (Cambridge: Cambridge University Press, 1999), p. 9.

houses are filled with elegant furniture and the tables decked with silverware and served by tidily clothed slaves'.¹²

The prosperity of the elite provided a sharp contrast to the representations of life on the frontier. Travel diaries document the abject poverty of many frontier families, who often lived in wagons and tents. MHO Woeke, the first colonial official of Graaff-Reinet, described his living quarters as 'a hut ... without door or glass windows, where the wind continuously blows dust inside'.¹³ Carl Peter Thunberg, a Swedish botanist in the interior during the 1770s, noted the use of tanned animal skins for ropes, bags and blankets, and even as clothes for the poorest of the poor.¹⁴

The impression of a generally impoverished Colony – apart from 'pockets of wealth'¹⁵ that existed close to Cape Town – that could be deduced from these anecdotal sources gave rise to two twentieth-century narratives: the Afrikaner-nationalist narrative of a 'people that saved itself' from the throes of poverty and the anti-apartheid narrative expounding the backwardness and racism of the Afrikaner people.

Here is F.A. van Jaarsveld on the pre-nineteenth-century settlement:

Although an Afrikaner nation existed by 1836, it had little idea of its own existence, no collective 'history' and even less awareness of its destiny. The majority simply existed. The isolation of the farms exacerbated the situation. Only on the Eastern frontier, where the white trekboere had established contact with the Bantu for sixty years, did a greater degree of group consciousness develop. No stimulus and no great common risk existed in the other areas of the Colony to spark and enliven such a consciousness.¹⁶

In a similar vein (but for different reasons), Alistair Sparks's *The Mind of South Africa* neatly captures the anti-apartheid narrative:

[T]he mind of the Afrikaner was shaped during the six generations they were lost in Africa: a people who missed the momentous developments of eighteenth-century Europe, the age of reason in which liberalism and

¹² S.D. Naudé, *Willem Cornelis Boers* (Cape Town: Archives Yearbook of South Africa, 1950), p. 414.

¹³ A.L. Müller, *Die Ekonomiese Ontwikkeling van Suid-Afrika* (Pretoria: Academica, 1980), p. 26.

¹⁴ C.P. Thunberg, *Carl Peter Thunberg: Travels at the Cape of Good Hope, 1772–1775* (Cape Town: Van Riebeeck Society, 1986), p. 52.

¹⁵ Guelke and Shell, 'An early colonial landed gentry'.

¹⁶ F.A. van Jaarsveld, *Die Afrikaner en sy Geskiedenis* (Cape Town: Nasionale Boekhandel, 1959); own translation.

democracy were born and which had its climax in the great revolution of the French bourgeoisie; a people who spent that time instead in a deep solitude which, if anything, took them back to an even more elementary existence than the seventeenth-century Europe their forebears had left; a people who became, surely, the simplest and most backward fragment of Western civilization in modern times.¹⁷

While not addressing per se the settlers' economic standard of living, both quotations accept it as a given that the average Cape farmer suffered from the economic, social and intellectual backwardness of isolation. The possibility that the Cape might have been a thriving commercial economy is not considered.

Such beliefs about the early Cape economy have persisted into the post-apartheid era. Charles Feinstein, in his authoritative *An Economic History of South Africa* published in 2005, dedicates only minimal space to the first two centuries of European settlement at the Cape. After briefly discussing them, he concludes that 'the great majority of colonists were poor and discontented'.¹⁸

A REINTERPRETATION

Ross has shown that the belief that the early Cape was an economic backwater is based on biased evidence, as are the narratives that sprang from this belief. In 1987, with Pieter van Duin, he collaborated on a manuscript – *The Economy of the Cape Colony in the 18th Century* – that made use, for the first time, of the rich quantitative sources left behind by the VOC administration and available in the Cape Archives Repository in Cape Town and the Nationaal Archief in The Hague.¹⁹

It is surprising that earlier historians completely neglected this large body of empirical evidence that was available to support or refute their hypotheses about the early Cape settlers' standard of living. As Van Duin and Ross point out, it is notable that 'all these historians have given their portrayals of the Cape's economy without any extensive empirical back-up, even though immense quantities of evidence, statistical and other,

¹⁷ A. Sparks, *The Mind of South Africa: The Story of the Rise and Fall of Apartheid* (Cape Town and Johannesburg: Jonathan Ball, 1990), p. 40.

¹⁸ C. Feinstein, *An Economic History of South Africa* (Cambridge: Cambridge University Press, 2005), p.24.

¹⁹ Van Duin and Ross, *The Economy of the Cape Colony*.

exist on the nature of and changes within the economy of the Cape under the VOC'.²⁰
They continue:

It has been too commonly assumed that the farmers' own complaints on their poverty and on the absence of markets reflected economic reality. As a matter of course, historians should consider such expressions of grievances to be special pleading, and they should therefore subject them, where possible, to independent testing. This we have done, and we consider that in general they cannot be corroborated, as is indeed not surprising when it is realised that they were made sporadically. The Cape farmers, like all entrepreneurs at all times, did not believe that they were operating in the best possible economic climate, and therefore did all they could to improve that climate. But, in the circumstances within which they did have to act, as a body they found reason to expand and opportunity to flourish.²¹

In contrast to these earlier historians, Van Duin and Ross calculate production and consumption figures published in the *opgaafrolle*, the tax records collected annually by the Company, the meat lists, and letters written every March to the VOC in Holland, which served as an annual report of the activities at the Cape station. These annual production figures, published at the end of their manuscript and now transcribed digitally and available online, list the quantities of vines owned, wine produced (in *leaguers*), wheat sown and reaped (in *mudden*), barley and rye sown and reaped (in *mudden*), and horses, cattle, sheep and pigs owned, split by production region (Cape district, Stellenbosch, Drakenstein, Swellendam and Graaff-Reinet). They also list the quantities of exports of grains and pulses, wines and stock products, as well as butter, fat, tallow, aloe, ivory, train oil and wax. On the consumption side, they report the size of the population split by settler men, women and children, and slave men, women and children. Because there is no mention of the Khoesan in the official records, they are excluded from the Van Duin and Ross analysis too. Total consumption also included the ships arriving annually at the Cape; the number of ships as reported by Coenraad Beyers is therefore also listed.²²

²⁰ Ibid., p. 3.

²¹ Ibid., p. 88.

²² C. Beyers, *Die Kaapse Patriotte, 1779–1791* (Cape Town: Juta, 1929).

With these statistics at their disposal, Van Duin and Ross then equate production and consumption. Earlier historians had noted the ‘overproduction’ of Cape farmers and claimed that this was evidence of a saturated market. Van Duin and Ross, however, show that this idea of ‘overproduction’ is empirically and conceptually indefensible, ‘since it is difficult to imagine any entrepreneurs who would continue to produce for a structurally glutted market, on which, presumably, they would continually be operating at a loss’.²³ Rather, they argue, the market for Cape farmers’ produce was ‘much larger, more dynamic and quicker growing than has previously been thought, so that a very considerable rate of agricultural growth was possible’.²⁴

Unfortunately, broader changes in the study of South African history obscured their revisionist story of the wealth of the Cape economy so that it had little immediate impact on the discipline.²⁵ The strong interest in Cape colonial history, evidenced by the multiple print runs of Richard Elphick and Hermann Giliomee’s *Shaping South African Society*²⁶ in English and Afrikaans, died down towards the end of the 1980s, as political changes, in South Africa and in the rest of the world, shifted the historian’s interests away from the eighteenth century and towards the twentieth. In addition, the fall of communism took the edge off the intense debates between liberal and Marxist scholars in their attempts to explain South Africa’s economic trajectory.²⁷ The study of economic history lost ground to more popular social and cultural history.²⁸

Their decision to publish their work in a relatively unknown series – *Intercontinenta*, a series published by the Centre for the History of European Expansion – also did not help to disseminate their research to a wider audience. Ross, in a chapter on the Cape economy for the second edition of *Shaping*, did make a strong case for a more optimistic view of the Cape economy, but by that stage the view of the Cape as a social and

²³ Van Duin and Ross, *The Economy of the Cape Colony*, p. 3.

²⁴ *Ibid.*, p. 3.

²⁵ J. Fourie, ‘The quantitative Cape: A review of the new historiography of the Dutch Cape Colony’, *South African Historical Journal* 66.1, 2014, pp. 142–168.

²⁶ R. Elphick and H. Giliomee (eds.), *The Shaping of South African Society, 1652–1820* (London: Longmans, 1979), republished as *The Shaping of South African Society, 1652–1840*, 2nd edn (Cape Town: Maskew Miller Longman, 1989).

²⁷ See J. Fourie and S. Schirmer, ‘The future of South African economic history’, *Economic History of Developing Regions* 27.1, 2012, pp. 114–124.

²⁸ See, for example, R. Shell, *Children of Bondage: A Social History of the Slave Society at the Cape of Good Hope, 1652–1838* (Hanover and London: Wesleyan University Press, 1994); S. Newton-King, *Masters and Servants on the Cape Eastern Frontier, 1760–1803* (Cambridge: Cambridge University Press, 1999); N. Penn, *Rogues, Rebels and Runaways: Eighteenth-Century Cape Characters* (Cape Town: David Philip, 1999); K. Ward, *Networks of Empire: Forced Migration in the Dutch East India Company* (Cambridge: Cambridge University Press, 2008); N. Worden, *Cape Town between East and West: Social Identities in a Dutch Colonial Town* (Auckland Park: Jacana, 2012).

economic backwater had become fixed.²⁹ Ross's later work, published in the 1990s and 2000s, mostly steers away from the macroeconomic changes in the Cape Colony and follows the trend in the field of history to focus more on social and cultural histories of the eighteenth and nineteenth century.³⁰ His most recent survey of the emergence of Cape colonial society, published in the latest *Cambridge History of South Africa*, mostly avoids discussing the economic conditions of the settlers.³¹ Although he notes that there 'was clearly a steady expansion of the pastoral sector of the Cape economy' so that by the last years of the eighteenth century 'the foundations of a commercial colonial economy' had been 'definitively established', this expansion was 'far from simple or certain'.³² He had shown at a macroeconomic level that the Cape economy was more dynamic than the early scholarship had suggested, but richer micro-level empirical evidence would be needed to uproot the perception of the average Cape settler as living just above subsistence levels.

QUANTITATIVE VERIFICATION

The microeconomic evidence had to wait for the rise of a new generation of economic historians trained in the use of the econometric techniques that are now a standard part of an economist's toolkit. Cliometrics, the use of quantitative data and econometric techniques in historical analysis, can be dated back to its emergence in the US in the 1960s, where interest in development economics was growing. Scholars were particularly interested in explaining the disparity in incomes between the developed and developing world. Although some cliometric work was done in South Africa in the early 1980s, mostly by scholars trained in the US, the real shift towards cliometric analysis would only begin in the 2000s. Three trends led to this upsurge in interest. The first was economists' renewed enthusiasm for economic history, sparked by the work of Douglass North and, notably, two sets of authors writing about the economic histories of

²⁹ R. Ross, 'The Cape Economy' in R. Elphick and H. Giliomee (eds), *The Shaping of South African Society, 1652–1840*, 2nd edn (Cape Town: Maskew Miller Longman, 1989).

³⁰ R. Ross, *Beyond the Pale: Essays on the History of Colonial South Africa* (Hanover and London: Wesleyan University Press and University Press of New England, 1993); Ross, *Status and Respectability*; R. Ross, *Adam Kok's Griquas: A Study in the Development of Stratification in South Africa* (Cambridge: Cambridge University Press, 2009); R. Ross, *The Borders of Race in Colonial South Africa: the Kat River Settlement, 1829–1856* (Cambridge: Cambridge University Press, 2014).

³¹ R. Ross, 'Khoesan and immigrants: The emergence of colonial society in the Cape, 1500–1800', in R. Ross, C. Hamilton and B. Mbenga, (eds.) *Cambridge History of South Africa*, Vol. I. (Cambridge: Cambridge University Press, 2010), pp. 168–210.

³² *Ibid.*, pp.201–209.

developing countries: Daron Acemoglu, Simon Johnson and James A. Robinson, and Kenneth L. Sokoloff and Stanley Engerman.³³ The second was the availability of large new data sets, especially for the eighteenth and early nineteenth centuries, and often available for free online, and the third was the standardisation and widespread use of statistical programmes and data-editing software.

It was at the Department of Economics at Stellenbosch University that I and several of my colleagues first began to experiment with cliometric analysis of the Cape Colony.³⁴ Willem H. Boshoff and I used free online Dutch East India Company shipping data to investigate business cycles between the demand created by ship traffic and local Cape production.³⁵ Dieter von Fintel and I, using the digitised *opgaafrolle* compiled by Hans Heese and Rob Shell in the 1970s, investigated settler inequality at the Cape up to 1773.³⁶ We also extended this analysis to consider the role of the French Huguenots in Cape production.³⁷ With Jeanne Cilliers, I calculated demographic trends and with Jolandi Uys I investigated ownership of luxury goods.³⁸

My main focus, however, was on the wealth of the average Cape farmer. To measure this, I used the probate inventories that had been digitised over several years by a team of scholars from the universities of Cape Town and the Western Cape. I found strong evidence to support Van Duin and Ross's notion that the Cape was more dynamic than had been previously thought; in fact, when I compared the baskets of goods owned by settler households at the Cape to those owned by households in Holland, England and

³³ D. North, *Institutions, Institutional Change and Economic Performance* (Cambridge: Cambridge University Press, 1990); D. Acemoglu, S. Johnson, J. Robinson, 'Reversal of fortune: Geography and institutions in the making of the modern world income distribution', *Quarterly Journal of Economics* 117, 4, 2002, pp. 1231–1294; K. Sokoloff and S. Engerman, 'History lessons: Institutions, factor endowments, and paths of development in the new world', *Journal of Economic Perspectives* 14, 3, 2000, pp. 217–232.

³⁴ An overview of this literature has recently been published in the *South African Historical Journal*: J. Fourie, 'The quantitative Cape'.

³⁵ W. Boshoff and J. Fourie, 'Explaining the fluctuations in shipping traffic to the Cape settlement, 1652–1793', *South African Journal of Economic History* 23, 1&2, 2008, pp. 1–27; W. Boshoff and J. Fourie, 'The significance of the Cape trade route to economic activity in the Cape Colony: A medium-term business cycle analysis', *European Review of Economic History* 14, 3, 2010, pp. 469–503.

³⁶ J. Fourie and D. von Fintel, 'The dynamics of inequality in a newly settled, pre-industrial society' *Cliometrica* 4, 3, 2010, pp. 229–267; J. Fourie and D. von Fintel 'A history with evidence: Income inequality in Dutch South Africa', *Economic History of Developing Regions* 26, 1, 2011, pp. 16–48.

³⁷ J. Fourie and D. von Fintel, ' 'n ongelyke oes', *Tydskrif vir Geesteswetenskappe* 51, 3, 2011, pp. 332–353; J. Fourie and D. von Fintel, 'Settler skills and colonial development: The Huguenot wine-makers in eighteenth-century Dutch South Africa', *Economic History Review*, in press.

³⁸ J. Cilliers and J. Fourie, 'New estimates of settler life span and other demographic estimates from South Africa, 1652–1948' *Economic History of Developing Regions* 27, 2, 2012, pp. 61–86;

the Chesapeake region of North America, I found that the average affluence of Cape settlers matched that of the wealthiest countries of the world.³⁹

Others have corroborated this finding. Pim de Zwart, using wage data, showed that the rise in real wages across the eighteenth century in South Africa equalled that of European countries at the end of the Dutch period,⁴⁰ and Sophia and Stan du Plessis expanded De Zwart's data and found that real wages were already high, but unequal, at the beginning of the century.⁴¹ Together with Jan Luiten van Zanden, who was also my supervisor at Utrecht University, I calculated a measure of GDP for the Cape Colony in both the eighteenth and nineteenth centuries.⁴² We extended the series to link with current Reserve Bank data of South African twentieth-century GDP. The data has now been added to the Maddison Project Database, and is available for free online. The graph shown in Figure 1 compares the GDP figures for the Cape Colony and South Africa as published in the Maddison database⁴³ to those of Holland, England and the US.

³⁹ J. Fourie, 'Die relatiewe welvaart van die vroeë Kaapse setlaars', *Litnet Akademies* 9, 2, 2012, pp. 442–467; J. Fourie, 'The remarkable wealth of the Dutch Cape Colony: Measurements from eighteenth-century probate inventories', *Economic History Review* 66, 2, 2013, pp. 419–448.

⁴⁰ P. de Zwart, 'Real wages at the Cape of Good Hope: a long-term perspective, 1652–1912', *Tijdschrift voor Sociale en Economische Geschiedenis* 10, 2013.

⁴¹ S. du Plessis and S. du Plessis, 'Happy in the service of the Company: the purchasing power of VOC salaries at the Cape in the 18th century', *Economic History of Developing Regions* 27, 2012.

⁴² J. Fourie and J.-L. van Zanden, 'GDP in the Dutch Cape Colony: The national accounts of a slave-based society', *South African Journal of Economics* 81, 4, 2013, pp. 467–490.

⁴³ Unlike the Maddison database, which publishes GDP only for every 25 years during the eighteenth century, our calculations are available by year, and published in Fourie and Van Zanden, 'GDP in the Dutch Cape Colony'.

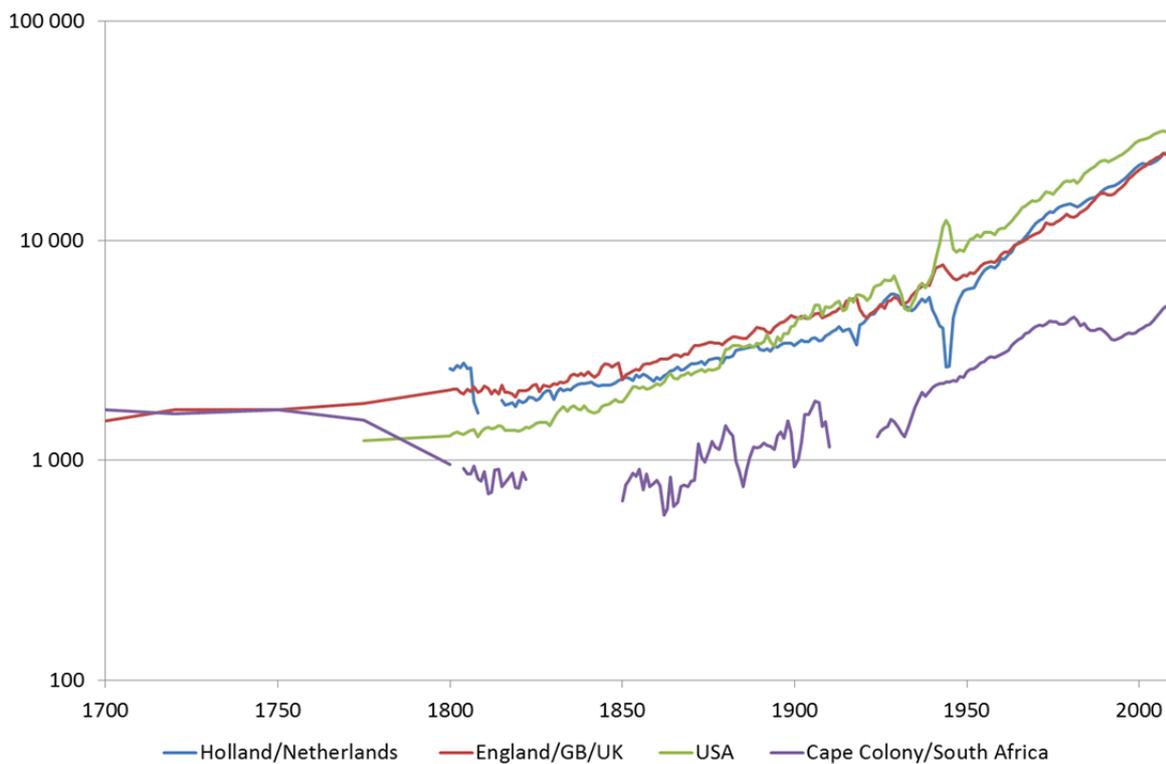


Figure 1: Comparison of GDP per capita (1990 Int. GK\$) by country, 1700–2010
 Source: The Maddison Project (www.ggdc.net/maddison/maddison-project/data.htm)

As the graph shows, Cape Colony GDP per capita in the middle of the eighteenth century was comparable to that of Holland and England. Towards the end of the period, however, there was a general decline in living standards at the Cape, while the GDP per capita of England and Holland continued to increase slowly. The large differences in living standards between England and South Africa today may to a large extent be the result of the large gap that opened up in the 1780–1860 period, and to some extent in the later 1970–1990 period. What is clear, though, is that the pronouncements that the eighteenth-century Cape was an economic backwater are not supported by the historical quantitative evidence.

To date, much of the new cliometric work has been aimed at answering ‘what happened’ questions: Was the Cape Colony an economic backwater? Were living standards comparatively high in the eighteenth century? What we need now is a shift to investigating the *reasons* for answers we have found. We need to look for the mechanisms responsible for the Cape’s gradual decline towards the end of the eighteenth and during the beginning of the nineteenth century. We need to turn to the

‘why did it happen’ questions, to improve our understanding not only of the South African past but also of how the country’s economy developed and grew.

There are so many of these questions. Why did an unequal settler society spring up so suddenly in the Cape Colony?⁴⁴ Why did settlers invest so much of their savings in slaves?⁴⁵ And given the high levels of wealth, why did the Cape Colony not experience an industrial revolution? Why instead, as we can see from Figure 1, did living standards decline from around 1780? We still do not know why. Did population growth simply outpace production? Did slavery stall investment in new technologies? Did market demand decline with the decline in ship traffic? Did institutions imported by the British stifle or invigorate trade? Did government policies – including tax regimes, currency deflation or frontier conflict – hamper economic development?

Although historians have touched on many of these topics, it is difficult to answer ‘why’ questions satisfactorily without the empirical tools that enable economic historians to test the causal determinants of change. The large new transcribed and digitised micro-level datasets, combined with the statistical tools that enable us to identify causal mechanisms, will help us shed new light on Cape economic development and continue the trend that Robert Ross started of using quantitative data to inform the historical narrative.

CONCLUSIONS

To date, Robert Ross’s contribution to the economic history of the early Cape has been largely neglected. In the late 1980s he and co-author Pieter van Duin reversed the widely accepted view of the Cape economy as a ‘social and economic backwater’ of widespread subsistence farming and overall poverty, scattered with small islands of relatively affluent farmers. Exploring the rich quantitative records kept by Dutch East India Company officials, they argued that the Cape had been more dynamic and progressive than earlier historians had assumed and that the market for Cape agricultural produce had been ‘much larger, more dynamic and quicker growing’ than

⁴⁴ G. Williams, ‘Who, where, and when were the Cape gentry?’ *Economic History of Developing Regions* 28.2, 2013, pp. 83–111.

⁴⁵ J. Fourie, ‘Slaves as capital investment in the Dutch Cape Colony, 1652–1795’, in P. Svensson and E. Hillbom (eds) *Agricultural Transformation in Global History Perspective* (Oxford: Routledge, 2013).

previously thought, so that 'a very considerable rate of agricultural growth' had been possible. To back up their argument they relied on the *opgaafrolle*. The transcription and digitisation of these records during a time when personal computers were unavailable is in itself an astonishing achievement. Van Duin and Ross used these records, together with what was known about the size of the population, and assumptions about everyday food consumption, to show that production was much higher than earlier thought, and that significant underreporting had occurred in the *opgaafrolle* themselves.

Their work was not immediately recognised in the broader economic history literature, largely because political change at the end of the 1980s shifted interest away from colonial history. As mentioned above, in his seminal contribution published in 2005 Feinstein was still describing conditions in the Colony as undeveloped before the discovery of minerals in the interior.⁴⁶ Feinstein fails to cite Van Duin and Ross.

Yet by the 2000s Ross's statistical evidence had begun to entice a new generation of economic historians, now equipped with better tools. New contributions using Cape Colony price series and probate inventories began to be published, all confirming Van Duin and Ross's hypothesis that the Cape economy was a more dynamic, market economy. In fact, using probate inventories, Instead of a poor, decrepit community, the new picture of the Cape was one of a thriving, affluent society, just as Ross had proposed.

Ross's pioneering work on the Cape economy was perhaps a generation too early to be fully appreciated. Only now with the emergence of a new generation of economic historians, adapting the econometric techniques of economists and using newly digitised Cape Colony data, is his cliometric contribution finally receiving the recognition it deserves.

⁴⁶ Feinstein, *An Economic History of South Africa*, p. 24.