



THE LONDON SCHOOL  
OF ECONOMICS AND  
POLITICAL SCIENCE ■

Economic History Student Working Papers

No: 024

---

The effect of the nature of the  
decolonisation process on postcolonial  
trade: A comparative study of Senegal's  
peaceful path to independence and the  
Algerian war of independence

Jan Bienek

*Submitted as partial fulfilment of the MSc in  
Global Economic History 2022-23*

February 2024

# The effect of the nature of the decolonisation process on postcolonial trade: A comparative study of Senegal's peaceful path to independence and the Algerian war of independence

*Jan Bienek*

## **Abstract**

This dissertation in global economic history analyses the differences in the effect of violent and peaceful decolonisation processes on post-independence trade between former colony and coloniser. Prior studies concerned with the effect independence had on trade have not adequately treated decolonisation as a process that spans the colonial and postcolonial period and have insufficiently differentiated its impact according to the nature of the decolonisation process. This dissertation advances our understanding of the economic implications of decolonisation by providing a comparative analysis of the independence processes of Algeria and Senegal. The findings suggest that the violent nature of the Algerian decolonisation has led to an abrupt reduction in the relative importance of trade with its former coloniser France. Senegal on the other hand, due to its peaceful decolonisation process, reduced the French share in its imports and exports slower than Algeria. While previous studies have not linked the course of the decline in colony-metropole trade to historical developments, this dissertation demonstrates that post-independence economic policy, and bilateral ties as well as the disruption of networks and the influence of French migrants, which varied according to the nature of the independence process, shaped how rapidly Senegal and Algeria reduced their trade with France. This dissertation extends prior studies on the impact of independence on trade by proposing a novel conceptual approach that considers wars of independence as a factor influencing and even accelerating the mechanisms that also cause the postcolonial trade decline in peaceful independence processes.

## **1. Introduction**

In 1962, the “terminal decade” of the French empire concluded, as its colonies had gained independence.<sup>1</sup> Colonialism significantly strengthened trade between colonies and their metropole.<sup>2</sup> With independence, colony-metropole trade

---

<sup>1</sup> Betts, Raymond F., *France and Decolonisation* (London: Macmillan Education, 1991), 77. Only Djibouti would remain a French colony, gaining independence in 1977.

<sup>2</sup> Kris James Mitchener and Marc Weidenmier, ‘Trade and Empire’, *The Economic Journal* 118, no. 533 (2008): 1805–34.

steadily declined.<sup>3</sup> According to Findlay and O'Rourke, "decolonisation implied international economic disintegration".<sup>4</sup> International trade had a decisive influence on the postcolonial economic development of African states.<sup>5</sup> The importance that trade with France retained for the former French colonies varied across states.<sup>6</sup> Moreover, the nature of the process by which the African colonies gained their independence also differed greatly within the French empire. Algeria achieved independence in 1962 after an eight-year long war.<sup>7</sup> In contrast, in Sub-Saharan Africa (SSA), 14 French colonies – including Senegal – gained independence in 1960 after a peaceful process.<sup>8</sup> This dissertation in global economic history explores the link between decolonisation and the post-independence decline in colony-metropole trade and addresses the following research question: Does the nature of the decolonisation process influence the importance that trade with France retains for former French colonies in Africa after independence?

Previous studies in economic history have not addressed the impact of the nature of the decolonisation process on trade with sufficient detail. In 1981, Cooper wrote in his seminal contribution *Africa and the World Economy*, that "the economics of decolonisation remain to be explained".<sup>9</sup> Since then, numerous prominent studies have addressed the long-run effects of colonialism and the

---

<sup>3</sup> Keith Head, Thierry Mayer, and John Ries, 'The Erosion of Colonial Trade Linkages after Independence', *Journal of International Economics* 81, no. 1 (2010): 1–14.

<sup>4</sup> Findlay, Ronald and O'Rourke, Kevin H., *Power and Plenty: Trade, War, and the World Economy in the Second Millennium*, 1st ed., vol. 30 (Princeton: Princeton University Press, 2007), 483.

<sup>5</sup> See Jerven (2010) for a discussion of the negative effect of external economic shocks on economic performance in SSA. Broadberry and Gardner (2022) provide evidence for the importance of foreign trade for the economic development of eight former British colonies. See also Singh (2008) for a detailed analysis of the importance of trade for Francophone African economies.

<sup>6</sup> International Monetary Fund, 'Direction of Trade Statistics', <https://data.imf.org/regular.aspx?key=61013712>, (accessed 1 August 2023).

<sup>7</sup> Natalya Vince, *The Algerian War, The Algerian Revolution* (Cham, Switzerland: Springer International Publishing, 2020).

<sup>8</sup> Stefan Kras, 'Senghor's Rise to Power 1948–1951. Early Roots of French Sub-Saharan Decolonisation', *Itinerario* 23, no. 1 (1999): 91–113.

<sup>9</sup> Cooper, Frederick, 'Africa and the World Economy', *African Studies Review* 24, no. 2/3 (1981): 47.

impact of decolonisation on economic growth.<sup>10</sup> Trade of former colonies with their respective metropolises, has received little attention in the context of decolonisation. Almost 40 years after Cooper, Gardner and Roy also note that economic historians have neglected the period of decolonisation, despite it being particularly formative for the economic ramifications of colonialism.<sup>11</sup>

Comparative studies of the economic implications of the transfer of political control have been scarce.<sup>12</sup> This dissertation contributes to filling this research gap, by critically analysing the existing literature and expanding on it with a comparative study of the decolonisation processes of Senegal and Algeria and their divergent post-independence trade relations with France.

This dissertation is structured into four sections. Section two critically reviews the literature addressing the effects of decolonisation on trade. This section argues for approaching the analysis of the impact of independence on trade from a conceptual perspective that conceives decolonisation as a process that spans the colonial and postcolonial periods, and whose impact on trade can be disaggregated based on the nature of the process. Insights from the academic fields concerned with the effect of war and the role of networks in relation to trade should be included in the analysis of the independence effect – an effort section three undertakes. Based on the critique of the literature, section three illustrates that the impact of war accelerates the mechanisms through which peaceful independence also reduces colony-metropole trade. This section provides a comparative historiographical case study of the decolonisation of Algeria and Senegal and finds that the nature of their decolonisation process has different effects on the course of the decline of the French share in the imports and exports of its former colonies. It is highlighted that the French share in Senegalese trade reduced slower than that of Algeria due to the peaceful nature

---

<sup>10</sup> See Acemoglu et al. (2001) for an analysis of the effect of colonial settlement strategies. See La Porta et al. (2008) for a study of the influence of the colonial legal system. Nunn (2009) reviews this literature. See also Lee and Paine (2019) for a study of the effect of decolonisation on economic growth.

<sup>11</sup> Leigh Gardner and Tirthankar Roy, *The Economic History of Colonialism* (Bristol, UK: Bristol University Press, 2020).

<sup>12</sup> Leigh Gardner and Tirthankar Roy.

of its decolonisation. Section four concludes, addresses limitations, and identifies avenues for future research.

## 2. Literature Review

Colonialism raises bilateral trade between colony and metropole, but this gradually decreases after independence. According to Mitchener and Weidenmier, belonging to an empire increased colony-metropole trade roughly twofold in the period 1870-1913.<sup>13</sup> In the French Empire, trade with France between 1880 and 1913 was higher for colonies with a larger number of European settlements, especially exports of raw materials from the colonies and imports of manufactured goods from France.<sup>14</sup> Glick and Taylor estimate that, from 1870 to 1997, an ongoing colonial link increased trade.<sup>15</sup> Furthermore, a former colonial relationship increases the current trade intensity between ex-colony and coloniser.<sup>16</sup> With independence, colonial bilateralism – the trade distortion due to colonial ties – decreases, and is lower for states that have been independent for longer.<sup>17</sup> Head et al. examine trade relations over the period 1948 to 2006 and establish that independence leads to a gradual erosion in trade between former colony and coloniser, which after four decades only accounts for 65 percent of colonial trade.<sup>18</sup> The dissolution of the European colonial empires undermined the world markets, as the former colonies became increasingly closed to international trade.<sup>19</sup> A connection between colonialism, decolonisation and trade is therefore evident.

---

<sup>13</sup> Kris James Mitchener and Marc Weidenmier, 'Trade and Empire'.

<sup>14</sup> El Kallab, Tania and Terra, Cristina, 'French Colonial Trade Patterns and European Settlements', *Comparative Economic Studies* 60 (2018): 291–331.

<sup>15</sup> Glick, Reuven and Taylor, Alan M., 'Collateral Damage: Trade Disruption and the Economic Impact of War', *The Review of Economics and Statistics* 92, no. 1 (2010): 102–27.

<sup>16</sup> Rose, Andrew K., 'One Money, One Market: The Effect of Common Currencies on Trade', *Economic Policy* 15, no. 30 (2000): 7–45.

<sup>17</sup> Kleiman, Ephraim, 'Trade and the Decline of Colonialism', *The Economic Journal* 86, no. 343 (1976): 459–80.

<sup>18</sup> Head, Mayer, and Ries, 'The Erosion of Colonial Trade Linkages after Independence'.

<sup>19</sup> Findlay, Ronald and O'Rourke, Kevin H., *Power and Plenty: Trade, War, and the World Economy in the Second Millennium*.

The academic literature has not captured country-specific differences in the independence effect sufficiently, especially regarding the exact course of the deterioration in bilateral trade. According to Head et al., colony-metropole trade gradually decreases after independence, but more abruptly and markedly for countries who achieved independence through wars.<sup>20</sup> While Head et al. don't differentiate between empires, Lavallée and Lochard find that former French colonies mainly account for the post-independence trade decrease.<sup>21</sup> They also note a gradual trade erosion, but former French colonies reduce their exports to France more drastically than their imports.<sup>22</sup> Lavallée and Lochard only briefly mention that Algeria's independence had a greater negative impact on trade with France than French Equatorial Africa's, which they attribute to different customs regimes during the colonial period.<sup>23</sup> Except for the overall effect, they fail to address differences in the course of the post-colonial decline in trade with France, i.e. when and how strongly it declines. Kleiman provides comparative analyses of specific countries, but his approach of comparing the average metropolitan trade shares over several years with averages of later years (e.g., comparing 1960-62 with 1968-70) obstructs insight into differences in the precise course of post-independence trade.<sup>24</sup> Therefore, further comparative analysis of country-specific variations in the intensity and timing of the postcolonial trade decline is necessary.

The academic literature on the impact of independence on trade has so far found no censuses regarding a causal mechanism. Kleiman suggests that upon independence former colonies will correct the distortion of their economic structures towards foreign trade, which was implemented during colonialism.<sup>25</sup> As Mitchener and Weidenmier state that “transaction costs and trade policies (...) played a significant role in boosting trade within empires”, changes in these

---

<sup>20</sup> Head, Mayer, and Ries, ‘The Erosion of Colonial Trade Linkages after Independence’.

<sup>21</sup> Emmanuelle Lavallée and Julie Lochard, ‘The Comparative Effects of Independence on Trade’, *Journal of Comparative Economics* 43, no. 3 (2015): 613–32.

<sup>22</sup> Lavallée and Lochard.

<sup>23</sup> Lavallée and Lochard.

<sup>24</sup> Kleiman, Ephraim, ‘Trade and the Decline of Colonialism’.

<sup>25</sup> Kleiman, Ephraim.

channels likely explain the post-independence trade reduction.<sup>26</sup> Lavallée and Lochard support the trade policy argument, as colonial preferential trade arrangements would end with independence.<sup>27</sup> They argue that preferential tariff systems in the French empire have distorted the trade pattern of French colonies, and “there is no obvious evidence that after independence, former European colonies have implemented trade policies that systematically favour (or penalise) their former metropole”.<sup>28</sup> In a footnote they acknowledge however, that “the preferences granted by colonial powers did not end immediately after independence”.<sup>29</sup> This is a relevant historical detail that could explain differences in the timing of trade decline but is disregarded in their explanation that “independence effects increase with the degree of protection implemented during the colonial era”.<sup>30</sup> Head et al. propose an explanation related to transaction costs, as “trade-promoting capital” would deteriorate after independence.<sup>31</sup> In contrast to Lavallée and Lochard, they point out that if the post-independence trade reduction were attributable to the withdrawal of colonial trade regimes, they would expect an instant decrease in trade.<sup>32</sup> As colony-metropole trade fell gradually, Head et al. suggest the “gradual retirement of business people who facilitated trade within the empire” as the cause.<sup>33</sup>

Lavallée and Lochard’s approach of dismissing social networks as a reason for postcolonial trade decline is not convincing. Thus, further historically motivated studies are needed to examine this mechanism. Head et al. didn’t test whether the decay of business networks caused the post-independence trade decline with further regressions, nor do they support it with historical analyses.<sup>34</sup> This leaves room for further research. Lavallée and Lochard reject “explanations related to the increase in transaction costs after independence caused by the weakening of

---

<sup>26</sup> Kris James Mitchener and Marc Weidenmier, ‘Trade and Empire’, 1828.

<sup>27</sup> Lavallée and Lochard, ‘The Comparative Effects of Independence on Trade’.

<sup>28</sup> Lavallée and Lochard, 615.

<sup>29</sup> Lavallée and Lochard, 615.

<sup>30</sup> Lavallée and Lochard, 629.

<sup>31</sup> Head, Mayer, and Ries, ‘The Erosion of Colonial Trade Linkages after Independence’, 9.

<sup>32</sup> Head, Mayer, and Ries.

<sup>33</sup> Head, Mayer, and Ries, 9.

<sup>34</sup> Head, Mayer, and Ries.

social (...) networks”.<sup>35</sup> Three constraints of their data and approach to assessing the impact of networks compromise the reliability of their results. First, their use of data of migrant stocks per decade obscures annual fluctuations in French migrants in a former French colony.<sup>36</sup> Second, since they “replicate the value of the previous decade” for each year between two decades, this cancels the variation of migration related to independence.<sup>37</sup> Therefore, the number of French citizens in Algeria in 1963 would be considered the same as in 1960, even though one million settlers emigrated after Algeria’s independence.<sup>38</sup> Third, data on the number of migrants without socio-economic information doesn’t provide sufficient insight into their impact on trade. 50 French businesspeople or advisors close to the Senegalese government are likely to have more influence on the direction of trade than 500 French farmers in Algeria after losing preferential access to the government. Therefore, the role of businesspeople in upholding trade networks and the influence of French migrants in former colonies on post-independence trade needs to be re-examined.

Conceiving independence as a process rather than a date provides deeper insight into the dynamics that contribute to differences in the independence effects on trade. Cooper highlights that “decolonisation is a process and not a moment”.<sup>39</sup> Moreover, the process of decolonisation was far from a singular phenomenon but varied considerably from place to place.<sup>40</sup> Based on the different paths of disentangling the colonial relationship, historians distinguish between consensual processes of transferring sovereignty, as in West Africa, and violent conflicts, as in Algeria.<sup>41</sup> Whether the colonial force reacted to the demands of the nationalists with violence or by negotiation was decisive for the outcome of

---

<sup>35</sup> Lavallée and Lochard, ‘The Comparative Effects of Independence on Trade’, 614.

<sup>36</sup> Lavallée and Lochard, 620.

<sup>37</sup> Lavallée and Lochard, 629.

<sup>38</sup> Cohen, William B., ‘Legacy of Empire: The Algerian Connection’, *Journal of Contemporary History* 15, no. 1 (1980): 97–123.

<sup>39</sup> Cooper, Frederick, ‘Decolonizations, Colonizations, and More Decolonizations: The End of Empire in Time and Space’, *Journal of World History* 33, no. 3 (2022): 521.

<sup>40</sup> Emmanuelle Saada, ‘France: The Longue Durée of French Decolonization’, in *The Oxford Handbook of the Ends of Empire*, ed. Martin Thomas and Andrew S. Thompson, 1st ed. (Oxford: Oxford University Press, 2018).

<sup>41</sup> Saada.

decolonisation.<sup>42</sup> With an inverted perspective, Hopkins states that the “composition of the independence movements (...) helps to explain (...) their relations with the colonial powers and the character of the new governments”.<sup>43</sup> Therefore, an analysis of the effect of independence on trade shouldn’t consider independence as a uniform phenomenon but explore the historical diversity in the paths to disentanglement, as differences in the processes can lead to differences in their effect on colony-metropole trade.

Previous studies have considered wars of independence as possible causes driving the average decline in post-independence trade or as sources of endogeneity but haven’t attempted to understand how the nature of the path to decolonisation may have interacted with other factors causing the decline in trade. Ho argues that if colonies achieve independence through wars, which also lower bilateral trade, this creates an endogeneity issue.<sup>44</sup> Therefore, Ho proposes that his study of Hong Kong and Macau’s independence, which followed “peaceful negotiations among interested parties, where the time of each handover was predetermined”, is better suited to assess the causal effect of independence on trade than previous studies.<sup>45</sup> However, decolonisation was never an inevitable outcome, but a contested and uncertain process.<sup>46</sup> Excluding the impact of war from the exploration of the effects of decolonisation would dismiss that the colonial empires collapsed through a confluence of multiple demands and kinds of struggles.<sup>47</sup> Lavallée and Lochard conclude that the reduction in colony-metropole trade doesn’t stem from wars of independence as the “average marginal effect of independence evaluated for former French

---

<sup>42</sup> Springhall, John, *Decolonization since 1945: The Collapse of European Overseas Empires* (Basingstoke: Palgrave, 2001).

<sup>43</sup> Antony G. Hopkins, *An Economic History of West Africa*, 2nd ed. (London: Routledge, 2019), 296.

<sup>44</sup> Cheuk Yin Ho, ‘Effects of Decolonization on Bilateral Trade: Evidence from Natural Experiments’, *The Journal of International Trade & Economic Development* 31, no. 4 (2022): 598–613.

<sup>45</sup> Yin Ho, 599.

<sup>46</sup> Smith, Andrew W.M. and Chris Jeppesen, ‘Conclusion: The Conditional as a Category’, in *Britain, France and the Decolonization of Africa: Future Imperfect? University College London* (London: University College London Press, 2017).

<sup>47</sup> Cooper, Frederick, ‘Decolonizations, Colonizations, and More Decolonizations: The End of Empire in Time and Space’.

colonies with no war of independence” is also negative.<sup>48</sup> Although Head et al. also confirm that wars of independence don’t explain the overall decline in trade, they note that violent decolonisation triggered a greater and immediate decline in post-independence trade.<sup>49</sup> This aspect should therefore not be disregarded, but the distinction between violent and peaceful decolonisation processes should be considered as a differentiating factor. Conceptually, analysing how differences in the path to independence interrelate with other factors that cause the postcolonial trade decline will provide a novel perspective to the to the academic literature.

Approaching the interrelation between the effects of war and the effects of decolonisation on trade as distinct but integrally related forces adds further nuance. Prematurely dismissing the role of war of independence would be to ignore the widely documented influence of war on trade. According to Eichengreen and Irwin, wars, “lift the heavy hand of history” and can disrupt the impact of past trade on current trade.<sup>50</sup> Glick and Taylor find that trade between countries at war declines by 80 per cent.<sup>51</sup> This effect persists as bilateral trade is 42 percent lower than in peacetime five years after an interstate war ended.<sup>52</sup> Martin et al. observe that during the first year of a sever civil war there is a 25 percent fall in trade relative to its natural level.<sup>53</sup> This negative impact on trade increases over time, as it is 45 percent lower 10 years after the conflict.<sup>54</sup> Past conflicts could lower bilateral trade in successive periods through the “destruction of social capital /networks that facilitate interactions”, and the “formation of persistent negative sentiment”.<sup>55</sup> Since peaceful decolonisation also

---

<sup>48</sup> Lavallée and Lochard, ‘The Comparative Effects of Independence on Trade’, 627.

<sup>49</sup> Head, Mayer, and Ries, ‘The Erosion of Colonial Trade Linkages after Independence’.

<sup>50</sup> Eichengreen, Barry and Irwin, Douglas A., ‘The Role of History in Bilateral Trade Flows’, in *The Regionalization of the World Economy*, ed. Frankel, Jeffrey A. (Chicago: University of Chicago Press, 1997), 36.

<sup>51</sup> Glick, Reuven and Taylor, Alan M., ‘Collateral Damage: Trade Disruption and the Economic Impact of War’.

<sup>52</sup> Glick, Reuven and Taylor, Alan M.

<sup>53</sup> Philippe Martin, Mathias Thoenig, and Thierry Mayer, ‘Civil Wars and International Trade’, *Journal of the European Economic Association*, 2008, 6, no. 2/3 (n.d.): 541–50.

<sup>54</sup> Martin, Thoenig, and Mayer.

<sup>55</sup> Head, Keith and Mayer, Thierry, ‘What Separates Us? Sources of Resistance to Globalization’, *The Canadian Journal of Economics / Revue Canadienne d’Economie* 46, no. 4 (2013): 1227.

triggers trade-reducing processes, it could be conceivable that the effects of wars complement or accelerate them.

Decolonisation does not end with the attainment of legal independence but is a process that continues during the postcolonial period. Upon independence, the new African governments had to take important decisions on economic policy.<sup>56</sup> According to Akyeampong, “many African nationalist governments inherited or assumed the economic agendas of their former colonial rulers”.<sup>57</sup> If the post-independence reduction in bilateral trade ought to be caused by the replacement of the colonial trade regime with the post-colonial, independence appears to be reached at the date of independence, rather than in a process of change.<sup>58</sup> In 1960 most French SSA colonies “achieved *at least formal* independence” (emphasis added).<sup>59</sup> Only after they proclaimed independence, negotiations on cooperation agreements with France began, which determined the degree of their association.<sup>60</sup> Since many authors suggest that states tend to trade with states with which they have friendly relations, post-independence ties between former colony and coloniser – possibly a function of the nature of decolonisation – might also influence the decisiveness of the reduction of colonial bilateralism.<sup>61</sup> Therefore, an analysis of the reasons why newly independent states altered their trade relations with their former colonisers at different rates must incorporate the post-colonial period.

This section has critically reviewed the literature on the effect of independence on colony-metropole trade. The critique centres around four aspects: First,

---

<sup>56</sup> Ralph A. Austen, *African Economic History: Internal Development and External Dependency* (London: James Currey, 1997).

<sup>57</sup> Emmanuel Akyeampong, ‘African Socialism; or, the Search for an Indigenous Model of Economic Development?’, *Economic History of Developing Regions* 33, no. 1 (2018): 71.

<sup>58</sup> Lavallée and Lochar, ‘The Comparative Effects of Independence on Trade’.

<sup>59</sup> Gareth Austin, ‘The Economics of Colonialism in Africa’, in *The Oxford Handbook of Africa and Economics: Volume 1: Context and Concepts*, ed. Célestin Monga and Justin Yifu Lin (Oxford: Oxford University Press, 2015), 522.

<sup>60</sup> Yves Person, ‘French West Africa and Decolonization’, in *The Transfer of Power in Africa: Decolonization 1940-1960*, ed. Prosser Gifford and William Roger Louis (New Haven: Yale University Press, 1982).

<sup>61</sup> Bayer, Reşat and Rupert, Matthew C., ‘Effects of Civil Wars on International Trade, 1950-92’, *Journal of Peace Research* 41, no. 6 (2004): 699–713.

previous studies have not treated decolonisation as a process that begins before independence and is interwoven with the postcolonial phase. Second, differences in the character of the process, such as the prevalence of violent compared to peaceful struggles have not been sufficiently linked to states' postcolonial trade with their former coloniser. Third, wars of independence have been understood and partially dismissed only as possible cases driving the average effect. However, such approaches have failed to address how the effect of war on trade interacts with other drivers of postcolonial trade erosion. Fourth, this literature review has shown that the role of businesspeople, migrants and networks needs to be reassessed and substantiated with further historiographical studies.

### 3. Comparative Study

This section provides a comparative analysis of two decades of Algerian and Senegalese economic history, particularly the period of decolonisation and the first years after independence. Algeria and Senegal offer a compelling comparison, because although both were former French colonies, their decolonisation processes and their post-independence trade relations with France followed different trajectories. In 1960, France peacefully granted independence to Senegal.<sup>62</sup> Algeria achieved independence only two years later, but broke away from France through war.<sup>63</sup> While France was the primary trade partner for both states at independence, its share of Algeria's foreign trade fell abruptly, but only steadily for Senegal.<sup>64</sup> Algeria's colonial experience is unique as it began in 1830 and led to its incorporation into France in 1848, yet it shares important similarities with Senegal.<sup>65</sup> Senegal was the oldest French colony in SSA.<sup>66</sup> As the settlements Gorée and Saint Louis were overseas extension of the

---

<sup>62</sup> Kras, 'Senghor's Rise to Power 1948–1951. Early Roots of French Sub-Saharan Decolonisation'.

<sup>63</sup> Sylvie Thénault, 'The End of Empire in the Maghreb: The Common Heritage and Distinct Destinies of Morocco, Algeria, and Tunisia', in *The Oxford Handbook of the Ends of Empire*, ed. Thomas Martin and Andrew S. Thompson, 1st ed. (Oxford: Oxford University Press, 2018).

<sup>64</sup> International Monetary Fund, 'Direction of Trade Statistics', <https://data.imf.org/regular.aspx?key=61013712>, (accessed 1 August 2023).

<sup>65</sup> Vince, *The Algerian War, The Algerian Revolution*.

<sup>66</sup> Tony Chafer, 'France and Senegal: The End of the Affair?', *SAIS Review* 23, no. 2 (2003): 155–67.

French state, Senegal offers a good comparison to French Algeria.<sup>67</sup> Although Senegal was not a settler colony like Algeria, it had the highest number of Europeans in French West Africa (AOF), which allows for a comparative analysis of French migrants' influence on the direction of trade.<sup>68</sup> On an economic level, Algeria's importance as a market for French exports was considerably higher, but as Senegal accounted for the largest share of French exports to the AOF in 1960, it is an adequate case for comparison.<sup>69</sup>

### 3.1. Case 1: Algeria

#### *3.1.1. The war of independence*

At the beginning of the twentieth century, a small Algerian elite began to demand changes in the colonial system.<sup>70</sup> In 1954, a vicious eight-year war between the French colonial regime and the Algerian National Liberation Front (FLN) erupted.<sup>71</sup> The FLN conducted guerrilla warfare, to which the French government reacted with air strikes, population displacements and propaganda campaigns.<sup>72</sup> France responded with extreme brutality to the Algerian struggle for independence.<sup>73</sup> About 500,000 Algerians lost their lives.<sup>74</sup> However, France remained Algeria's main supplier of imports and recipient of exports throughout the war.<sup>75</sup> Between 1954 and 1960, imports to Algeria increased by almost 200 percent, with machinery, equipment and metal products for the French war effort accounting for a large share.<sup>76</sup> Due to the deployment of over 500,000 French soldiers in Algeria, demand and imports of consumer goods from France

---

<sup>67</sup> Sheldon Gellar, Robert B. Charlick, and Yvonne Jones, *Animation Rurale and Rural Development: The Experience of Senegal* (Ithaca, N.Y.: Rural Development Committee, Cornell University, 1980).

<sup>68</sup> Rita Cruise O'Brien, *White Society in Black Africa: The French of Senegal* (London: Faber & Faber, 1972).

<sup>69</sup> International Monetary Fund, 'Direction of Trade Statistics'.

<sup>70</sup> Vince, *The Algerian War, The Algerian Revolution*.

<sup>71</sup> Findlay, Ronald and O'Rourke, Kevin H., *Power and Plenty: Trade, War, and the World Economy in the Second Millennium*.

<sup>72</sup> Vince, *The Algerian War, The Algerian Revolution*.

<sup>73</sup> Cooper, Frederick, 'Possibility and Constraint: African Independence in Historical Perspective', *The Journal of African History* 49, no. 2 (2008): 167–96.

<sup>74</sup> Saada, 'France: The Longue Durée of French Decolonization'.

<sup>75</sup> Peter Robson and Dennis Albert Lury, 'The Economies of Africa', 1st ed. (Florence: Taylor & Francis Group, 2011).

<sup>76</sup> Robson and Lury.

surged.<sup>77</sup> However, as the French stance on Algerian independence shifted in 1961, imports of capital and durable goods declined rapidly.<sup>78</sup> In 1962, the Evian Accords were signed, marking the end of the war.<sup>79</sup> The Accords established Algeria's independence and granted French financial and technical cooperation.<sup>80</sup> In return, France received guarantees regarding French nationals in Algeria and privileged treatment for French corporations operating in the hydrocarbons sector.<sup>81</sup>

The war of independence triggered the immediate mass emigration of European settlers. In 1954, about 1 million European settlers lived alongside 8.5 million Algerian citizens.<sup>82</sup> The settlers had ruled over the native population and were no longer welcome after independence.<sup>83</sup> During the war, hardliner settlers opposed to Algerian independence had formed the Secret Army Organisation, which carried out bombings and assassinations against Algerians and the FLN.<sup>84</sup> The violence of the war and the hate-laden relationship between settlers and the Algerian population made their evacuation inevitable.<sup>85</sup> The approaching Algerian independence caused alarm among the settlers, and within a few months, 650,000 emigrated to France and by 1965, nearly one million had departed.<sup>86</sup> These developments went against the hopes of French President de Gaulle, that the presence of French people in Algeria would preserve close relations between the two states.<sup>87</sup> While it is likely that some settlers would have migrated even in a peaceful process, this would have probably occurred in a less drastic manner.

---

<sup>77</sup> Robson and Lury.

<sup>78</sup> Robson and Lury.

<sup>79</sup> Dietmar Rothermund, *The Routledge Companion to Decolonization*, 1st ed. (London: Routledge, 2006).

<sup>80</sup> Reza Zia-Ebrahimi, 'Courting the Former Colony: Algeria's Special Position in French Third World Policy, 1963', *The Journal of North African Studies* 17, no. 1 (2012): 23–44.

<sup>81</sup> Zia-Ebrahimi.

<sup>82</sup> Vince, *The Algerian War, The Algerian Revolution*.

<sup>83</sup> Rothermund, *The Routledge Companion to Decolonization*.

<sup>84</sup> Vince, *The Algerian War, The Algerian Revolution*.

<sup>85</sup> Cohen, William B., 'Legacy of Empire: The Algerian Connection'.

<sup>86</sup> Cohen, William B.

<sup>87</sup> Cohen, William B.

### 3.1.2. *The rupture in networks*

The exodus of settlers affected the consumption pattern in Algeria, thereby reducing imports from France. Rauch defines co-ethnic networks as “communities of individuals or businesses that share a demographic attribute”.<sup>88</sup> Networks can influence trade, as migrants – like the settlers in Algeria – retain their preference for goods produced in their country of origin, and thus increase imports from there.<sup>89</sup> The Algerian import pattern was characteristic of a colonial economy, as consumer goods accounted for a substantive share.<sup>90</sup> The settlers had a strong preference for imported consumer goods from France.<sup>91</sup> In the late colonial period about 60 percent of the total imports were consumed by settlers.<sup>92</sup> The exodus of almost the entire settler community caused much of the decline in imports of consumer durables, French food and capital goods.<sup>93</sup> Figure 1 illustrates that one year before Algerian independence 82 percent of Algeria’s imports came from France, but in 1964 only 71 percent.<sup>94</sup> In absolute terms, imports from France declined by 40 percent from 1961 to 1964.<sup>95</sup>

---

<sup>88</sup> James E. Rauch, ‘Business and Social Networks in International Trade’, *Journal of Economic Literature* 39, no. 4 (2001): 1179.

<sup>89</sup> Pierre-Philippe Combes, Miren Lafourcade, and Thierry Mayer, ‘The Trade-Creating Effects of Business and Social Networks: Evidence from France’, *Journal of International Economics* 66 (2005): 1–29.

<sup>90</sup> Robson and Lury, ‘The Economies of Africa’.

<sup>91</sup> Robson and Lury.

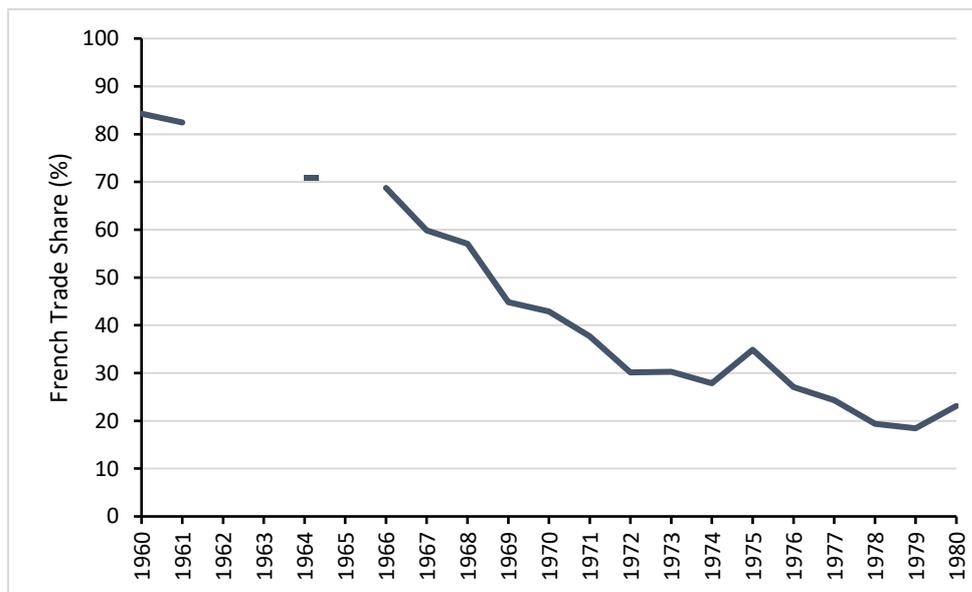
<sup>92</sup> Benjamin Stora, *Algeria, 1830-2000: A Short History* (Ithaca: Cornell University Press, 2001).

<sup>93</sup> Robson and Lury, ‘The Economies of Africa’.

<sup>94</sup> International Monetary Fund, ‘Direction of Trade Statistics’.

<sup>95</sup> International Monetary Fund, ‘Direction of Trade Statistics’.

Figure 1. The French share of total Algerian imports from 1960 to 1980.



**Source:** Authors own creation (Algerian imports from France divided by total imports), based on data from the Direction of Trade Statistics (DOTS) of the International Monetary Fund. Note that DOTS does not report data about Algeria in 1962, 1963 and 1965.

At independence, Algeria's economy was devastated by the war and distorted by the colonial occupation, as it had been oriented toward the benefit of the settlers and the metropole.<sup>96</sup> At the end of the 18th century, French merchants began to create a monopoly on trade in North Africa, and excluded Algerian merchants from foreign trade.<sup>97</sup> By 1956, a small number of Algerian merchants had emerged, which by 1962 had grown to several thousand affluent merchants.<sup>98</sup> Nonetheless, throughout the colonial period, European settlers occupied the leading economic positions in Algeria.<sup>99</sup> In 1954, 60,000 Europeans worked as merchants or in other liberal professions in Algeria.<sup>100</sup> The merchants who controlled trade within colonial empires were well connected through social contacts and networks.<sup>101</sup> Networks can promote trade by facilitating the

<sup>96</sup> Michael J. Willis, 'Politics and Economics: Hydrocarbons, Clientelism and Corruption', in *Algeria: Politics and Society from the Dark Decade to the Hirak*, by Michael J. Willis, 1st ed. (Oxford: Oxford University Press, 2023), 135–74.

<sup>97</sup> Mahfoud Bennoune, *The Making of Contemporary Algeria, 1830-1987: Colonial Upheavals and Post-Independence Development* (Cambridge: Cambridge University Press, 1988).

<sup>98</sup> Bennoune.

<sup>99</sup> Thénault, 'The End of Empire in the Maghreb: The Common Heritage and Distinct Destinies of Morocco, Algeria, and Tunisia'.

<sup>100</sup> Stora, *Algeria, 1830-2000: A Short History*.

<sup>101</sup> Kris James Mitchener and Marc Weidenmier, 'Trade and Empire'.

transfer of information between distant markets, thereby reducing transaction costs.<sup>102</sup> Head et al. suggest that the continuous decay of business networks explains the post-independence colony-metropole trade decline.<sup>103</sup> To expand Head et al.'s proposal to violent decolonisation and their abrupt decline in trade – for which they provide no explanation – a rapid disintegration of networks would be conceivable. This explanation has historical underpinning, as the settlers who made up most Algerian businesspeople, managers, and economic administrators rapidly departed Algeria after independence.<sup>104</sup> This disrupted the networks that had developed over centuries. However, upon independence, large Algerian merchants obtained the trade networks that had previously been in the hands of the settlers.<sup>105</sup> The year 1967 marked a critical juncture, when President Boumédiène transferred control over import-export trade to national public organisations.<sup>106</sup> Thus, business networks did not continuously disintegrate, but were disrupted by the exodus of European settlers and the nationalisation of foreign trade.

### *3.1.3. Algerian economic policy and its relations with France*

Independence was accompanied by a transformation of Algerian exports. During the colonial period, European settlers had monopolised the agricultural export production.<sup>107</sup> According to Robson and Lury, “wine alone explains the heavy dependence on France as an export market”.<sup>108</sup> Algerian export goods were created for the French market, and in 1957, settlers produced 90 percent of the wine, which accounted for over 50 percent of exports (excluding oil) in the final years before independence.<sup>109</sup> Due to the mass emigration of Europeans, the

---

<sup>102</sup> Combes, Lafourcade, and Mayer, ‘The Trade-Creating Effects of Business and Social Networks: Evidence from France’.

<sup>103</sup> Head, Mayer, and Ries, ‘The Erosion of Colonial Trade Linkages after Independence’.

<sup>104</sup> Stora, *Algeria, 1830-2000: A Short History*.

<sup>105</sup> Bennoune, *The Making of Contemporary Algeria, 1830-1987: Colonial Upheavals and Post-Independence Development*.

<sup>106</sup> Bennoune.

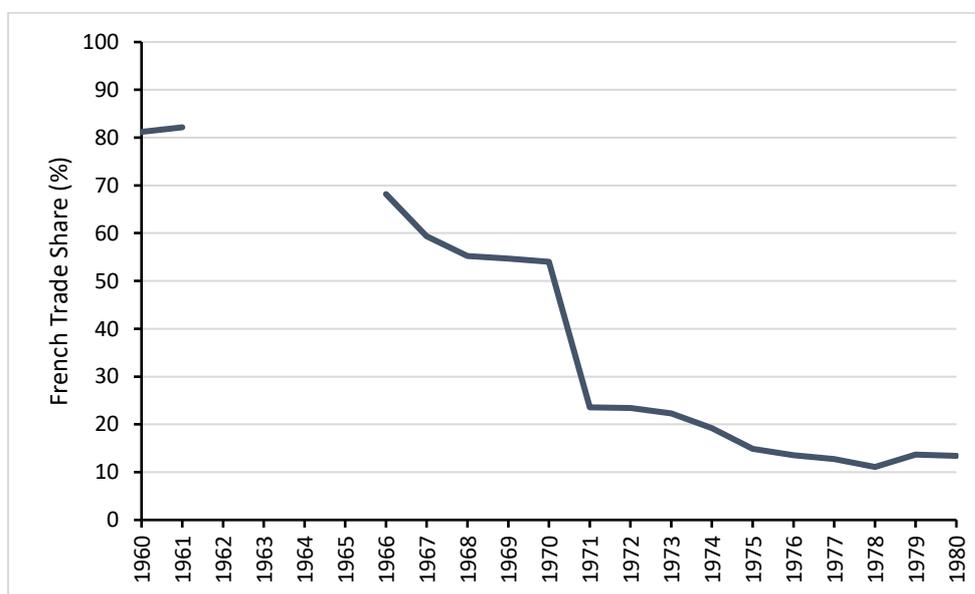
<sup>107</sup> John Iliffe, *Africans: The History of a Continent*, 3rd ed. (Cambridge: Cambridge University Press, 2017).

<sup>108</sup> Robson and Lury, ‘The Economies of Africa’, 513.

<sup>109</sup> Robson and Lury.

formerly dominant agricultural sector lacked skilled labour and thus perished.<sup>110</sup> Until 1970, agricultural products fell in importance as exports goods, only constituting 20.5 percent and in 1980 they had virtually diminished.<sup>111</sup> Moreover, the discovery of large oil and gas reserves in 1956 geared the Algerian economy towards the extraction of these resources.<sup>112</sup> In 1970, more than 70 percent of Algeria's exports were oil and gas.<sup>113</sup> The French share of Algeria's exports, as Figure 2 shows, fell rapidly from 82 percent in 1961, to 53 in 1970.<sup>114</sup>

**Figure 2. The French share of total Algerian exports from 1960 to 1980**



**Source:** Authors own creation (Algerian exports to France divided by total exports), based on data from the DOTS of the International Monetary Fund. Note that DOTS does not report data for Algeria from 1962-1965.

The economic policy of the first decades of independent Algeria was motivated by the violent nature of the decolonisation process. Algeria's development strategy was designed to end the dependency on the former colonial power.<sup>115</sup> The war of independence led to the emergence of a new political and military elite formed by

<sup>110</sup> Boulos A. Malik, 'The Economy', in *Algeria: A Country Study*, ed. Helen Chapin Metz, 5th ed. (Washington, D.C: Federal Research Division, Library of Congress, 1994).

<sup>111</sup> Stora, *Algeria, 1830-2000: A Short History*.

<sup>112</sup> Willis, 'Politics and Economics: Hydrocarbons, Clientelism and Corruption'.

<sup>113</sup> Stora, *Algeria, 1830-2000: A Short History*.

<sup>114</sup> International Monetary Fund, 'Direction of Trade Statistics'.

<sup>115</sup> Bennoune, *The Making of Contemporary Algeria, 1830-1987: Colonial Upheavals and Post-Independence Development*.

the anticolonial struggle.<sup>116</sup> Owing to the nature of Algeria's independence process, the leaders of the nationalist movement were compelled to place foreign companies under public control.<sup>117</sup> In 1963, the government of Ben Bella nationalised several private enterprises, but subsidiaries of French companies maintained free rein to conduct their business.<sup>118</sup> In the first years after independence, all economic activities contracted, except for the petroleum sector, as multinational companies owned the production plants, and their product was exported.<sup>119</sup> The second Algerian government under Boumédiène pursued a stricter economic policy, ideologically motivated by the revolutionary egalitarianism of the war.<sup>120</sup> In 1971, so Stora, "president Boumédiène began the 'decolonisation of petroleum'".<sup>121</sup> Within this year, the government nationalised 51 percent of each French oil corporations in Algeria.<sup>122</sup> More than four-fifths of the total oil reserves of the Sahara were under the ownership of the Algerian state oil company after this Franco-Algerian crisis.<sup>123</sup> This rupture in Franco-Algerian relations is reflected in the bilateral trade pattern. As Figure 2 shows, in 1971, the importance of France as an export market dropped abruptly, as only 24 percent of Algeria's exports went to France.<sup>124</sup> Thus, due to Algerian economic policy, significantly influenced by its violent independence process, the French share of Algeria's exports fell by 71 percent from 1961 to 1971.<sup>125</sup>

After independence, Franco-Algerian relations were fraught with tension, which is reflected in their trade relations. Algeria sought to maintain a privileged relationship with France, in particular to receive aid and claim reparations for the war of independence.<sup>126</sup> At the same time however, Boumédiène's policy of

---

<sup>116</sup> Vince, *The Algerian War, The Algerian Revolution*.

<sup>117</sup> Bennoune, *The Making of Contemporary Algeria, 1830-1987: Colonial Upheavals and Post-Independence Development*.

<sup>118</sup> Bennoune.

<sup>119</sup> Bennoune.

<sup>120</sup> Bennoune.

<sup>121</sup> Stora, *Algeria, 1830-2000: A Short History*, 153.

<sup>122</sup> Bennoune, *The Making of Contemporary Algeria, 1830-1987: Colonial Upheavals and Post-Independence Development*.

<sup>123</sup> Bennoune.

<sup>124</sup> International Monetary Fund, 'Direction of Trade Statistics'.

<sup>125</sup> International Monetary Fund, 'Direction of Trade Statistics'.

<sup>126</sup> Grimaud, Nicole, 'Algeria and Socialist France', *Middle East Journal* 40, no. 2 (1986): 252–66.

economic nationalism created constant conflict with France.<sup>127</sup> The rapid decrease in French aid to Algeria reflects the rupture in the relations between the two states.<sup>128</sup> In 1963, Algeria still received over 1.2 billion francs in budget aid from France, in 1971 it had fallen to 0.2 billion.<sup>129</sup> The deterioration of the special relationship between France and Algeria led to significant disruptions in Algeria's foreign trade.<sup>130</sup> The importance of France as an export market had declined drastically, as by 1977, the French share of Algerian exports had fallen by 85 percent compared to 1961.<sup>131</sup> Similarly, from 1961 to 1977, the French share of Algerian imports had dropped by 70 percent.<sup>132</sup> Overall, it is apparent that the violent character of the independence process led to a rapid decline in the relative importance of trade with France for Algeria.

## 3.2. Case 2: Senegal

### *3.2.1. The peaceful decolonisation process*

In contrast to Algeria, decolonisation in Senegal occurred peacefully and in an orderly manner. Aspirations for economic and political reform grew after World War II.<sup>133</sup> The resentment towards the French colonial system was mostly related to the exploitative practices of foreign trading companies in Senegal.<sup>134</sup> However, independence movements were not revolutionary in character, as growing prosperity in the 1950s created a cooperative attitude among the colonial authorities and the African national leadership.<sup>135</sup> During these years, French officials along with African leaders sympathetic to France, such as the Senegalese poet Senghor, collaborated on a plan to modernise the colonies.<sup>136</sup> Rather than independence, integration into a federation with France was

---

<sup>127</sup> Bennoune, *The Making of Contemporary Algeria, 1830-1987: Colonial Upheavals and Post-Independence Development*.

<sup>128</sup> Gérard Bossuat, 'French Development Aid and Co-Operation under de Gaulle', *Contemporary European History* 12, no. 4 (2003): 431–56.

<sup>129</sup> Bossuat.

<sup>130</sup> Malik, 'The Economy'.

<sup>131</sup> International Monetary Fund, 'Direction of Trade Statistics'.

<sup>132</sup> International Monetary Fund, 'Direction of Trade Statistics'.

<sup>133</sup> Hopkins, *An Economic History of West Africa*.

<sup>134</sup> Boone, Catherine, *Merchant Capital and the Roots of State Power in Senegal, 1930-1985* (Cambridge: Cambridge University Press, 1992).

<sup>135</sup> Hopkins, *An Economic History of West Africa*.

<sup>136</sup> Chafer, 'France and Senegal: The End of the Affair?'

pursued.<sup>137</sup> After 1946, France gradually expanded suffrage, which enabled a Senegalese elite to acquire political influence.<sup>138</sup> With Senghor's electoral victory in 1957 the gradual handover of power began, as he gained control over the semi-autonomous government.<sup>139</sup> However, at the 1958 constitutional referendum in the AOF, Senghor's party vigorously opposed Senegalese independence.<sup>140</sup> Thus, Senegal remained part of the French Community.<sup>141</sup> In 1960, Senegal proclaimed independence, but remained closely affiliated with France through "accords of association" that ensured the continuation of trade, monetary and financial relations from the colonial period.<sup>142</sup> The absence of violence during decolonisation was central to France's goal not to lose influence in SSA as it had in Algeria.<sup>143</sup> Overall, Senegalese decolonisation, "was achieved by subtle degrees".<sup>144</sup>

Due to the peaceful nature of the decolonisation process, France and Senegal maintained close ties after independence. Both de Gaulle and Senghor, Senegal's first president, didn't intend French withdrawal, but the preservation of the close French-Senegalese connection.<sup>145</sup> The cooperation agreements negotiated after independence provided the framework of French aid to SSA.<sup>146</sup> French budget aid to its former colonies in SSA remained on a similar level throughout the 1960s, while it declined abruptly for Algeria.<sup>147</sup> The close interpersonal ties maintained through French aid enabled a French member of the Senegalese planning office to prevent the construction of an American fertiliser factory in Senegal, as this would risk reducing imports of French fertiliser.<sup>148</sup> Moreover,

---

<sup>137</sup> Chafer.

<sup>138</sup> Boone, Catherine, *Merchant Capital and the Roots of State Power in Senegal, 1930-1985*.

<sup>139</sup> Boone, Catherine.

<sup>140</sup> Boone, Catherine.

<sup>141</sup> Hopkins, *An Economic History of West Africa*.

<sup>142</sup> Boone, Catherine, *Merchant Capital and the Roots of State Power in Senegal, 1930-1985*, 90.

<sup>143</sup> Tony Chafer, 'Senegal', in *Exit Strategies and State Building*, ed. Richard Caplan (Oxford: Oxford University Press, 2012), 38–56.

<sup>144</sup> Person, 'French West Africa and Decolonization', 170.

<sup>145</sup> Chafer, 'Senegal'.

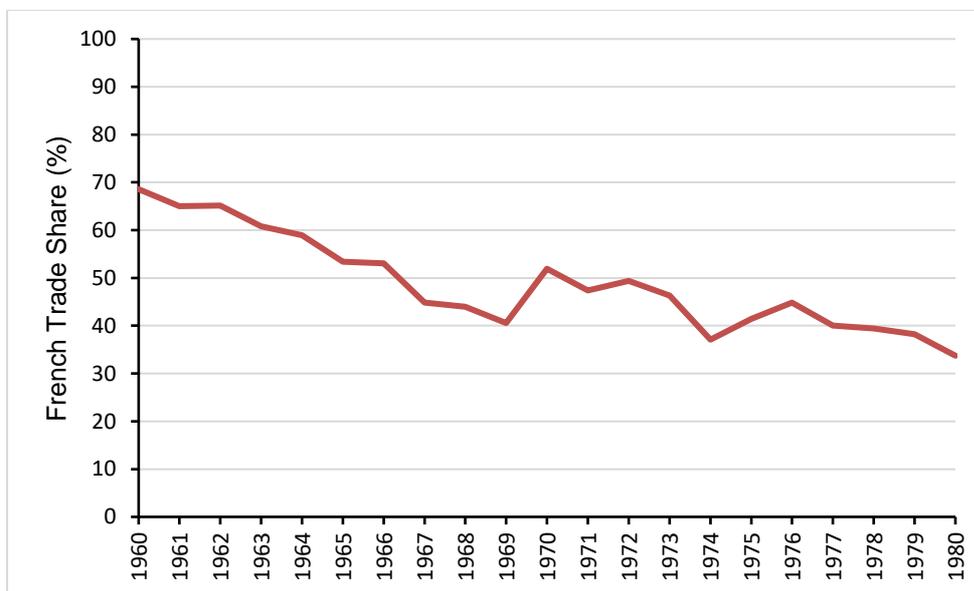
<sup>146</sup> Teresa Hayter, 'French Aid to Africa-Its Scope and Achievements', *International Affairs* 41, no. 2 (1965): 236–51.

<sup>147</sup> Bossuat, 'French Development Aid and Co-Operation under de Gaulle'.

<sup>148</sup> Hayter, 'French Aid to Africa-Its Scope and Achievements'.

after independence Senegal retained the colonial discriminatory tariff system that favoured imports from Franc Zone countries, whereas non-members had to pay import duty sometimes exceeding 100 percent.<sup>149</sup> Throughout the 1960s, this secured France's position as the main source of imports.<sup>150</sup> Figure 3 shows, that in 1960 France supplied 69 percent of Senegal's imports and this share only gradually declined to 52 percent in 1970.<sup>151</sup> In contrast to Algeria, where the French share of imports fell by 63 percent in the ten years after independence, the French share of Senegalese imports only fell by only 24 percent.<sup>152</sup>

Figure 3. The French share of total Senegalese imports from 1960 to 1980.



**Source:** Authors own creation (Senegal's imports from France divided by total imports), based on data from the DOTS of the International Monetary Fund.

Due to their friendly relations, preferential trade relations ensured that France remained the main recipient of Senegalese exports. Senegal has exported groundnuts to Europe since 1840, and they constituted the primary export product of the colonial economy.<sup>153</sup> Senegal's trade – like that of Algeria – was

<sup>149</sup> Boone, Catherine, *Merchant Capital and the Roots of State Power in Senegal, 1930-1985*.

<sup>150</sup> Boone, Catherine.

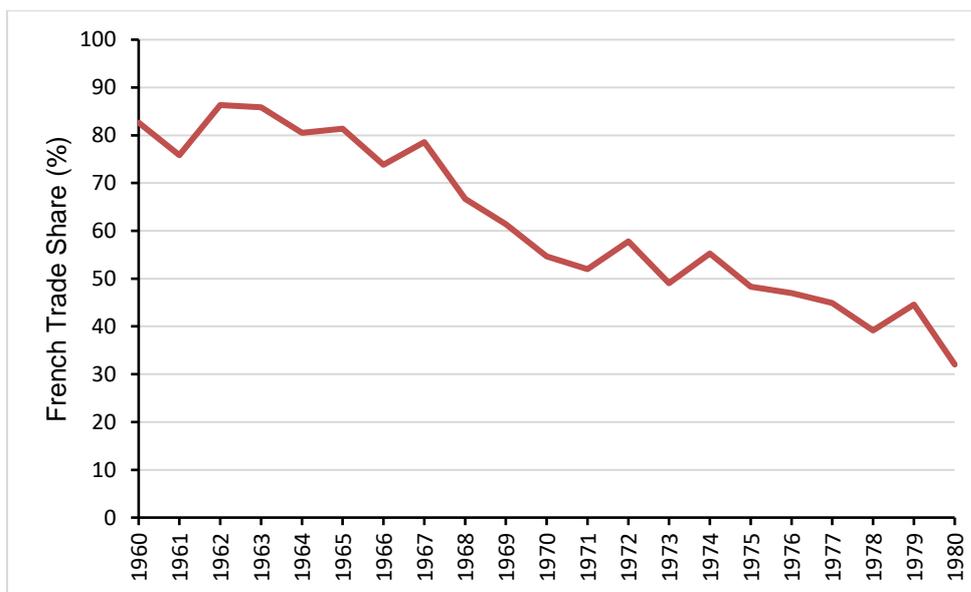
<sup>151</sup> International Monetary Fund, 'Direction of Trade Statistics'.

<sup>152</sup> International Monetary Fund, 'Direction of Trade Statistics'.

<sup>153</sup> Gellar, Charlick, and Jones, *Animation Rurale and Rural Development: The Experience of Senegal*.

organised around the French empire, and France purchased groundnuts at a preferential price.<sup>154</sup> Even after independence, France continued to subsidise Senegalese groundnut production until 1968 and bought their entire groundnut exports for 17 percent over world prices.<sup>155</sup> As the former colonies moved closer to the European Common Market, preferential trade conditions with France were bound to decline.<sup>156</sup> As shown in Figure 4, over 80 percent of Senegalese exports went to France for the first 5 years after independence.<sup>157</sup> With the end of the preferential price for groundnuts, the French share in Senegalese exports declined to 67 percent in 1968.<sup>158</sup> Compared to Algeria, which supplied 54 percent of its exports to France eight years after independence, Senegal remains more engaged with France as an export market.<sup>159</sup>

**Figure 4. The French share of total Senegalese exports from 1960 to 1980.**



**Source:** Authors own creation (Senegal’s exports to France divided by total exports), based on data from the DOTS of the International Monetary Fund.

<sup>154</sup> Gellar, Charlick, and Jones.

<sup>155</sup> Boone, Catherine, *Merchant Capital and the Roots of State Power in Senegal, 1930-1985*.

<sup>156</sup> Hayter, ‘French Aid to Africa-Its Scope and Achievements’.

<sup>157</sup> International Monetary Fund, ‘Direction of Trade Statistics’.

<sup>158</sup> International Monetary Fund, ‘Direction of Trade Statistics’.

<sup>159</sup> International Monetary Fund, ‘Direction of Trade Statistics’.

### 3.2.2. *The role of French migrants*

The independence of Algeria and France had different effects on the migration of French citizens. After World War II, more French people immigrated to Senegal.<sup>160</sup> The number of Europeans in the AOF more than tripled between 1945 and 1960, reaching 100,000 before independence.<sup>161</sup> Europeans consumed most of the imports, and as they increased in number, so did imports of consumer goods and food, which accounted for about 60 per cent of the AOF's imports by the end of the colonial period.<sup>162</sup> While the war of independence made it impossible for settlers to remain in Algeria, the European population in Senegal stayed after independence – and even grew.<sup>163</sup> In 1975, still 18,000 French people were living in Senegal.<sup>164</sup> In all the former French SSA colonies, the presence of French nationals distorted French exports towards these countries for more than two decades after independence, compared to similar countries.<sup>165</sup> Besides that, the French and Lebanese immigrants, who were employed in the foreign trading companies in the colonial period, hindered Senegalese access to higher and more influential positions.<sup>166</sup> After independence, the government's attempts to Africanise the trade and industrial sector were hesitant and delayed.<sup>167</sup>

Since decolonisation in Senegal didn't trigger an exodus of French government officials as it did in Algeria, France continued to exert influence on economic decision-making and French trading companies maintained their dominant position for a while. With the end of the war of independence, around 300,000 colonial civil servants left Algeria.<sup>168</sup> In Senegal on the other hand, while the

---

<sup>160</sup> Rita Cruise O'Brien, 'Foreign Ascendance in the Economy and State: The French and Lebanese', in *The Political Economy of Underdevelopment: Dependence in Senegal* (Beverly Hills, California: Sage Publications, 1979).

<sup>161</sup> Hopkins, *An Economic History of West Africa*.

<sup>162</sup> Hopkins.

<sup>163</sup> Cohen, William B., 'Legacy of Empire: The Algerian Connection'.

<sup>164</sup> Cruise O'Brien, 'Foreign Ascendance in the Economy and State: The French and Lebanese'.

<sup>165</sup> Emmanuelle Lavallée and Julie Lochard, 'The Empire Strikes Back: French-African Trade after Independence', *Review of International Economics* 27, no. 1 (2019): 390–412.

<sup>166</sup> Cruise O'Brien, 'Foreign Ascendance in the Economy and State: The French and Lebanese'.

<sup>167</sup> Cruise O'Brien.

<sup>168</sup> Stora, *Algeria, 1830-2000: A Short History*.

number of French administrative employees was initially smaller (about 1050 in 1961), their departure from the state apparatus after independence was less drastic, with about 450 remaining in 1965.<sup>169</sup> Moreover, “their power and effectiveness far outweighed their numerical presence”, according to Cruise O’Brien and French bureaucrats “provided a kind of parallel administration in the first decade of independence”.<sup>170</sup> In the first governments of independent Senegal, one or more ministers were French citizens.<sup>171</sup> From 1957 to 1970, French nationals acted as Senegal’s finance ministers, and French bureaucrats and advisors held high-level, strategic posts in all ministries.<sup>172</sup> Furthermore, through the Economic and Social Council, set up in 1961 as an advisory body to the president, the members, consisting of French industrialists, bankers and the chairmen of big French trading houses, could directly influence economic decision-making.<sup>173</sup> This platform was used when Senegalese traders were to be given more influence to the detriment of the French trading houses.<sup>174</sup> The importance of the Economic and Social Council decreased over time, as did the number of French civil servants and assistants in Senegal.<sup>175</sup>

### 3.2.3. *Senegalese economic policy*

Although Senegal also resorted to socialist economic practices, its approach differed from Algeria’s. The development plan of independent Senegal “combined African socialism with continued cooperation with France”.<sup>176</sup> After independence, the Senegalese government nationalised the groundnut trade and export circuit to end the exploitation of groundnut producers by colonial trading houses.<sup>177</sup> However, this didn’t lead to the disappearance of French trading companies, which reacted by restructuring towards importation and wholesale,

---

<sup>169</sup> Cruise O’Brien, ‘Foreign Ascendance in the Economy and State: The French and Lebanese’.

<sup>170</sup> Cruise O’Brien, 101 and 119.

<sup>171</sup> Chafer, ‘Senegal’.

<sup>172</sup> Boone, Catherine, *Merchant Capital and the Roots of State Power in Senegal, 1930-1985*.

<sup>173</sup> Boone, Catherine.

<sup>174</sup> Boone, Catherine.

<sup>175</sup> Cruise O’Brien, ‘Foreign Ascendance in the Economy and State: The French and Lebanese’.

<sup>176</sup> Akyeampong, ‘African Socialism; or, the Search for an Indigenous Model of Economic Development?’, 77.

<sup>177</sup> Boone, Catherine, *Merchant Capital and the Roots of State Power in Senegal, 1930-1985*.

the most profitable areas of the trade in consumer goods.<sup>178</sup> To the detriment of Senegalese traders, the Senegalese government assured foreign trading companies a monopoly position in this area.<sup>179</sup> Moreover, in contrast to post-colonial Algeria, foreign enterprises weren't nationalised in Senegal, given the close relations with France and French capital.<sup>180</sup> The government ascertained that either the Senegalese state or foreign, mainly French, private companies possessed the major economic activities.<sup>181</sup> Therefore, the strategy of import substitution industrialisation – which Algeria also pursued – benefited the interests of the French industry that was already established in Senegal.<sup>182</sup> Senegal's economic dependence on France and the French dominance in the modern economic sectors subsided towards the end of the 1970s, as export production diversified and the Africanisation of the economy was promoted.<sup>183</sup> Overall, the peaceful decolonisation process assured that France and Senegal remained partners and the French trade share in Senegalese imports and exports only declined gradually.<sup>184</sup>

#### 4. Conclusion

This dissertation in global economic history has examined the impact of decolonisation on trade and found that the nature of the decolonisation process has an effect on the relative importance trade with France has in the post-independence trade of former French colonies in Africa. Although the two states' trade was similarly concentrated towards France before independence, the French share of Algeria's exports and imports fell by 85 percent and 70 percent within the first 15 years after independence, but only by 42 percent and 40

---

<sup>178</sup> Boone, Catherine.

<sup>179</sup> Boone, Catherine.

<sup>180</sup> Akyeampong, 'African Socialism; or, the Search for an Indigenous Model of Economic Development?'

<sup>181</sup> Mansour Ndiaye, 'State Control and Poor Economic Growth Performance in Senegal', in *The Political Economy of Economic Growth in Africa 1960–2000*, ed. Ndulu Benno J. et al., vol. 2 (Cambridge, MA: Cambridge University Press, 2008), 401–25.

<sup>182</sup> Ndiaye.

<sup>183</sup> Gellar, Charlick, and Jones, *Animation Rurale and Rural Development: The Experience of Senegal*.

<sup>184</sup> International Monetary Fund, 'Direction of Trade Statistics'.

percent for Senegal.<sup>185</sup> In a comparative study of Algerian and Senegalese economic history, it was shown that the rapid decline in the French share of Algerian trade was due to the violent decolonisation process, while the slow decline in the case of Senegal was attributable to the peaceful nature of its independence. The Algerian war of independence disrupted social and business networks more markedly than Senegalese independence. Moreover, Algeria's economic policy of nationalising foreign companies, which stems from the nature of its independence process, worsened Franco-Algerian relations and led to a rapid decline in France's share of Algerian trade. On the other hand, Senegal and France parted peacefully and therefore maintained close relations for some decades, which was reflected in preferential trade relations and a slowly declining French share in Senegalese trade. Based on these findings, this dissertation makes a conceptual contribution, proposing that war as part of an independence process should be considered as a factor accelerating the mechanisms that contribute to the decline in trade between colony and metropole in peaceful independence processes.

Overall, the critique raised in the literature analysis could be substantiated by the comparative study. Conceptually, it has been criticised that previous studies have not adequately treated decolonisation as a process that spans the colonial and postcolonial period. The comparative study has shown that developments in the post-colonial period, which are related to the independence process, can provide a more nuanced explanation of the course of the decline in colony-metropole trade. Based on the critique that the nature of the decolonisation process has not been considered sufficiently in previous studies concerned with the effect of independence on trade, this dissertation demonstrates that this distinction is relevant for explaining differences in the post-independence trade decline. By juxtaposing the independence processes of Algeria and Senegal, it could be shown that, while the importance of France as a trade partner declined for both states, the Algerian war of independence accelerated this process.

---

<sup>185</sup> International Monetary Fund, 'Direction of Trade Statistics'. Note that as DOTS does not provide data for 1962, the year of Algeria's independence, the comparison is to 1961.

Moreover, this dissertation expands on previous arguments regarding the impact of the disintegration of business networks on the decline in post-independence trade, and provides further nuance, highlighting that the Algerian war of independence caused an exodus of European settlers, and the subsequent nationalisation of foreign trade created a drastic rupture in trade networks. In this sense, this dissertation provides evidence for the importance of migration, as the emigration of settlers from Algeria as well as the slow retreat of French advisors and bureaucrats from the Senegalese government influenced postcolonial trade.

Since this dissertation has focused on the comparison of only two former colonies, on the same continent and from the same empire, the generalisation of the results should be treated with caution. Austin calls for more reciprocal comparisons in which proposals derived from the analysis of African processes are compared to other regions.<sup>186</sup> Following this approach, future research could apply the findings of this dissertation to other violent decolonisation processes, such as Indochina's independence from France. As this dissertation has concentrated on the differences between violent and peaceful independence, further studies could analyse what effect the duration of the decolonisation process had on postcolonial trade.

---

<sup>186</sup> Gareth Austin, 'Reciprocal Comparison and African History: Tackling Conceptual Eurocentrism in the Study of Africa's Economic Past', *African Studies Review* 50, no. 3 (2007): 1–28.

## Bibliography

- Acemoglu, Daron, Simon Johnson, and James A Robinson. 'The Colonial Origins of Comparative Development: An Empirical Investigation'. *The American Economic Review* 91, no. 5 (2001): 1369-1401.
- Akyeampong, Emmanuel. 'African Socialism; or, the Search for an Indigenous Model of Economic Development?' *Economic History of Developing Regions* 33, no. 1 (2018): 69–87.
- Austen, Ralph A. *African Economic History: Internal Development and External Dependency*. London: James Currey, 1997.
- Austin, Gareth. 'The Economics of Colonialism in Africa'. In *The Oxford Handbook of Africa and Economics: Volume 1: Context and Concepts*, edited by Célestin Monga and Justin Yifu Lin, 522-535. Oxford: Oxford University Press, 2015.
- Bayer, Reşat and Rupert, Matthew C. 'Effects of Civil Wars on International Trade, 1950-92'. *Journal of Peace Research* 41, no. 6 (2004): 699–713.
- Bennoune, Mahfoud. *The Making of Contemporary Algeria, 1830-1987: Colonial Upheavals and Post-Independence Development*. Cambridge: Cambridge University Press, 1988.
- Betts, Raymond F. *France and Decolonisation*. London: Macmillan Education, 1991.
- Boone, Catherine. *Merchant Capital and the Roots of State Power in Senegal, 1930-1985*. Cambridge: Cambridge University Press, 1992.
- Bossuat, Gérard. 'French Development Aid and Co-Operation under de Gaulle'. *Contemporary European History* 12, no. 4 (2003): 431–56.
- Broadberry, Stephen, and Leigh Gardner. 'Economic Growth in Sub-Saharan Africa, 1885–2008: Evidence from Eight Countries'. *Explorations in Economic History* 83 (2022): 1–21.
- Chafer, Tony. 'France and Senegal: The End of the Affair?' *SAIS Review* 23, no. 2 (2003): 155–67.
- . 'Senegal'. In *Exit Strategies and State Building*, edited by Richard Caplan, 38–56. Oxford: Oxford University Press, 2012.
- Cohen, William B. 'Legacy of Empire: The Algerian Connection'. *Journal of Contemporary History* 15, no. 1 (1980): 97–123.
- Combes, Pierre-Philippe, Miren Lafourcade, and Thierry Mayer. 'The Trade-Creating Effects of Business and Social Networks: Evidence from France'. *Journal of International Economics* 66 (2005): 1–29.
- Cooper, Frederick. 'Africa and the World Economy'. *African Studies Review* 24, no. 2/3 (1981): 1–86.
- . 'Decolonizations, Colonizations, and More Decolonizations: The End of Empire in Time and Space'. *Journal of World History* 33, no. 3 (2022): 491–526.
- . 'Possibility and Constraint: African Independence in Historical Perspective'. *The Journal of African History* 49, no. 2 (2008): 167–96.
- Cruise O'Brien, Rita. 'Foreign Ascendance in the Economy and State: The French and Lebanese'. In *The Political Economy of Underdevelopment: Dependence in Senegal*. Beverly Hills, California: Sage Publications, 1979.

- . *White Society in Black Africa: The French of Senegal*. London: Faber & Faber, 1972.
- Eichengreen, Barry and Irwin, Douglas A. 'The Role of History in Bilateral Trade Flows'. In *The Regionalization of the World Economy*, edited by Frankel, Jeffrey A. Chicago: University of Chicago Press, 1997.
- El Kallab, Tania and Terra, Cristina. 'French Colonial Trade Patterns and European Settlements'. *Comparative Economic Studies* 60 (2018): 291–331.
- Findlay, Ronald and O'Rourke, Kevin H. *Power and Plenty: Trade, War, and the World Economy in the Second Millennium*. 1st ed. Vol. 30. Princeton: Princeton University Press, 2007.
- Gareth Austin. 'Reciprocal Comparison and African History: Tackling Conceptual Eurocentrism in the Study of Africa's Economic Past'. *African Studies Review* 50, no. 3 (2007): 1–28.
- Gellar, Sheldon, Robert B. Charlick, and Yvonne Jones. *Animation Rurale and Rural Development: The Experience of Senegal*. Ithaca, N.Y.: Rural Development Committee, Cornell University, 1980.
- Glick, Reuven and Taylor, Alan M. 'Collateral Damage: Trade Disruption and the Economic Impact of War'. *The Review of Economics and Statistics* 92, no. 1 (2010): 102–27.
- Grimaud, Nicole. 'Algeria and Socialist France'. *Middle East Journal* 40, no. 2 (1986): 252–66.
- Hayter, Teresa. 'French Aid to Africa-Its Scope and Achievements'. *International Affairs* 41, no. 2 (1965): 236–51.
- Head, Keith and Mayer, Thierry. 'What Separates Us? Sources of Resistance to Globalization'. *The Canadian Journal of Economics / Revue Canadienne d'Economie* 46, no. 4 (2013): 1196–1231.
- Head, Keith, Thierry Mayer, and John Ries. 'The Erosion of Colonial Trade Linkages after Independence'. *Journal of International Economics* 81, no. 1 (2010): 1–14.
- Hopkins, Antony G. *An Economic History of West Africa*. 2nd ed. London: Routledge, 2019.
- Iliffe, John. *Africans: The History of a Continent*. 3rd ed. Cambridge: Cambridge University Press, 2017.
- International Monetary Fund, 'Direction of Trade Statistics', <https://data.imf.org/regular.aspx?key=61013712> (Accessed 1 August 2023).
- Jerven, Morten. 'African Growth Recurring: An Economic History Perspective on African Growth Episodes, 1690–2010'. *Economic History of Developing Regions* 25, no. 2 (2010): 127–54.
- Kleiman, Ephraim. 'Trade and the Decline of Colonialism'. *The Economic Journal* 86, no. 343 (1976): 459–80.
- Kras, Stefan. 'Senghor's Rise to Power 1948–1951. Early Roots of French Sub-Saharan Decolonisation'. *Itinerario* 23, no. 1 (1999): 91–113.
- Kris James Mitchener and Marc Weidenmier. 'Trade and Empire'. *The Economic Journal* 118, no. 533 (2008): 1805–34.
- La Porta, Rafael, Florencio Lopez-de-Silanes, and Andrei Shleifer. 'The Economic Consequences of Legal Origins'. *Journal of Economic Literature* 46, no. 2 (2008): 285–332.

- Lavallée, Emmanuelle, and Julie Lochard. 'The Comparative Effects of Independence on Trade'. *Journal of Comparative Economics* 43, no. 3 (2015): 613–32.
- . 'The Empire Strikes Back: French-African Trade after Independence'. *Review of International Economics* 27, no. 1 (2019): 390–412.
- Lee, Alexander, and Jack Paine. 'What Were the Consequences of Decolonization?' *International Studies Quarterly* 63, no. 2 (2019): 406–16.
- Leigh Gardner and Tirthankar Roy. *The Economic History of Colonialism*. Bristol, UK: Bristol University Press, 2020.
- Malik, Boulos A. 'The Economy'. In *Algeria: A Country Study*, edited by Helen Chapin Metz, 5th ed. Washington, D.C: Federal Research Division, Library of Congress, 1994.
- Martin, Philippe, Mathias Thoenig, and Thierry Mayer. 'Civil Wars and International Trade'. *Journal of the European Economic Association*, 2008, 6, no. 2/3 (n.d.): 541–50.
- Ndiaye, Mansour. 'State Control and Poor Economic Growth Performance in Senegal'. In *The Political Economy of Economic Growth in Africa 1960–2000*, edited by Ndulu Benno J., Stephen A. O'Connell, Jean-Paul Azam, Robert H. Bates, Augustin K. Fosu, Jan Willem Gunning, and Dominique Nijinkeu, 2:401–25. Cambridge, MA: Cambridge University Press, 2008.
- Nunn, Nathan. 'The Importance of History for Economic Development'. *Annual Review of Economics* 1 (2009): 65–92.
- Person, Yves. 'French West Africa and Decolonization'. In *The Transfer of Power in Africa: Decolonization 1940-1960*, edited by Prosser Gifford and William Roger Louis. New Haven: Yale University Press, 1982.
- Rauch, James E. 'Business and Social Networks in International Trade'. *Journal of Economic Literature* 39, no. 4 (2001): 1177–1203.
- Robson, Peter, and Dennis Albert Lury. 'The Economies of Africa', 1st ed. Florence: Taylor & Francis Group, 2011.
- Rose, Andrew K. 'One Money, One Market: The Effect of Common Currencies on Trade'. *Economic Policy* 15, no. 30 (2000): 7–45.
- Rothermund, Dietmar. *The Routledge Companion to Decolonization*. 1st ed. London: Routledge, 2006.
- Saada, Emmanuelle. 'France: The Longue Durée of French Decolonization'. In *The Oxford Handbook of the Ends of Empire*, edited by Martin Thomas and Andrew S. Thompson, 85-101, 1st ed. Oxford: Oxford University Press, 2018.
- Singh, Daleep. *Francophone Africa, 1905-2005: A Century of Economic and Social Change*. New Delhi: Allied Publishers, 2008.
- Smith, Andrew W.M. and Chris Jeppesen. 'Conclusion: The Conditional as a Category'. In *Britain, France and the Decolonization of Africa: Future Imperfect? University College London*. London: University College London Press, 2017.
- Springhall, John. *Decolonization since 1945: The Collapse of European Overseas Empires*. Basingstoke: Palgrave, 2001.
- Stora, Benjamin. *Algeria, 1830-2000: A Short History*. Ithaca: Cornell University Press, 2001.

- Thénault, Sylvie. 'The End of Empire in the Maghreb: The Common Heritage and Distinct Destinies of Morocco, Algeria, and Tunisia'. In *The Oxford Handbook of the Ends of Empire*, edited by Thomas Martin and Andrew S. Thompson, 299-316, 1st ed. Oxford: Oxford University Press, 2018.
- Vince, Natalya. *The Algerian War, The Algerian Revolution*. Cham, Switzerland: Springer International Publishing, 2020.
- Willis, Michael J. 'Politics and Economics: Hydrocarbons, Clientelism and Corruption'. In *Algeria: Politics and Society from the Dark Decade to the Hirak*, by Michael J. Willis, 135–74, 1st ed. Oxford: Oxford University Press, 2023.
- Yin Ho, Cheuk. 'Effects of Decolonization on Bilateral Trade: Evidence from Natural Experiments'. *The Journal of International Trade & Economic Development* 31, no. 4 (2022): 598–613.
- Zia-Ebrahimi, Reza. 'Courting the Former Colony: Algeria's Special Position in French Third World Policy, 1963'. *The Journal of North African Studies* 17, no. 1 (2012): 23–44.