

JOHN SARBAH, THE ELDER, AND AFRICAN MERCANTILE ENTREPRENEURSHIP IN THE GOLD COAST IN THE LATE NINETEENTH CENTURY¹

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ALTHOUGH the innovating thrust supplied by West Africans in the commercial development of their own regions has emerged as an important theme in recent economic and historical studies, the greatest attention thus far has been given to the role of small traders and farmers rather than to that of African coastal merchants who organized large-scale enterprise. A slowly growing body of literature led by Kwame Daaku's treatment of the Gold Coast merchant princes, John Kabes and John Konny, and by Margaret Priestley's work on the Brew family, attests to what can be accomplished when precise analysis is combined with painstaking research.² But detailed case studies of eighteenth and nineteenth century African merchants are rare because of the paucity of statistical data and the loss or destruction of valuable business papers. Moreover, the use of oral field interviews is perhaps of less value here than in most other sectors of modern African economic history. Interviewees, if old enough, can supply general information on nineteenth-century coastal merchants, but they seldom have knowledge of the management, areas of specialization or operations of specific firms. Although the family name of Sarbah is well known, its connexion with a group of once prominent African mercantile houses is only dimly recollected in Ghana today. British colonial files are also disappointing. It is only through the fortunate survival of the Sarbah firm's correspondence and trading records that anything approaching an entrepreneurial study can be attempted.³ The evidence derived from these

¹ An earlier version of this article was presented at the Conference on Innovation in African Economic History, held at the University of Ghana, Dec. 1971. The writer benefited from comments by Francis Agbodeka, Philip Curtin and Paul Jenkins, and, more recently, by Peter Garlick.

² Kwame Y. Daaku, *Trade and Politics on the Gold Coast, 1600–1720* (Oxford, 1970). Margaret Priestley, *West African Trade and Coast Society, A Family Study* (Oxford, 1969). Other recent studies of major African merchants include D. E. Amenumey, 'Geraldo de Lima: A Reappraisal', *Transactions of the Historical Society of Ghana*, ix (Ligon, 1968), 65–78; Obaro Ikime, *Merchant Prince of the Niger Delta* (New York, 1969). With the exception of Daaku's, these studies concentrate on political and social rather than on commercial or entrepreneurial history.

³ The Sarbah Papers, which include a sizeable number of personal and family letters, are housed in the Special Collection of private papers at the Ghana National Archives, Accra. The business records and correspondence of the Sarbah trading firm are far from complete. The sources used in this study are: (1) John Sarbah Letterbook, Sc. 6/4, which contains copies of many outgoing and some incoming letters to business associates, agents and customers (covering some 545 pages), between 1874 and the late 1880s; (2) Sarbah Trade Journal, 1869–76, Sc. 6/1; (3) Sarbah Account Book, 1874–5, Sc. 6/3;

sources suggests that the independent African merchants of the late nineteenth century exercised greater initiative in the expansion of the export-oriented commodities trade than has been supposed. To concentrate on the commercial activities of coastal merchants is not to minimize the fundamental contribution of small-scale traders and producers in the transformation of the traditional economy of the country during this same period. Although economists have sometimes voiced doubts about the value of strict business history for an understanding of the complex aggregative problems of development, there is today a growing recognition that an analysis of individual firm organization, operations and output can at least cast light on a number of wider issues—including innovation, market fluctuations and trading relationships—of direct relevance to commercial expansion if not to economic development.

The rise of a significant group of independent African merchants in the Gold Coast in the second half of the nineteenth century was the result of a convergence of indigenous and external socio-economic forces. Several earlier economic histories stressed the effects of the transition from sail to steam navigation after 1852 on the emergence of independent traders all along the West African coast owing to the steamers' more rapid service, larger cargo-carrying capacities and provision for transporting cargoes in small lots.⁴ One hesitates to quarrel with this view as an introductory comment on West Africa generally; however, it may convey a mistaken impression about the importance of the 1850s and early 1860s so far as the Gold Coast is concerned. More work needs to be done to identify other operative causes and to pinpoint their direct impact—along with reduced freight rates—on the rise of individual mercantile houses in specific colonies at varying points in time. It may be that the traditional simplified periodization of the rise and fall of independent West African trading firms ought to be refined. It should not be forgotten that there were a number of independent African traders, such as Samuel Collins Brew, James Bannerman, and George Blankson, who got their start on the Gold Coast in the 1830s and 1840s, well before the coming of the steamship.⁵ Furthermore the commercial prosperity associated with relatively high palm oil prices in the 1840s and early 1850s did not continue uninterrupted throughout the next decades. The quality and hence the volume of palm oil exported from the Gold Coast lagged far behind the exports of Lagos

(4) Cape Coast Cash Book, 1870–7, Sc. 6/2; (5) Ledger, 1882, Sc. 6/12; (6) Journal of Accounts, 1875–8, Sc. 6/6; (7) Ledger, 1877–9, Sc. 6/7; (8) Station Cash Books, Sc. 6/10–11; Retail Store Account Book, 1882–4, Sc. 6/12. The writer is grateful to the staff of the Ghana National Archives for courtesies extended during research in the Special Collection.

⁴ Allan McPhee, *The Economic Revolution in British West Africa* (London, 1926), 71–2, 95–100. Sir Keith Hancock, *Survey of Commonwealth Affairs*, II, 2 (London, 1940, 1964), 196.

⁵ Priestley, *West African Trade and Coastal Society*, 146–7. Also, J. M. Akita, 'George Blankson of Anamabo', *Transactions of the Gold Coast Historical Society*, I, pt. v (1955), 215–22.

and the Niger Delta.⁶ One comes across recurring cases of business collapse in the Gold Coast all during the period when cheap freight rates were supposedly bringing new merchants into the field. Indeed, for the Gold Coast, the late 1850s and greater part of the 1860s were a period of commercial doldrums—exports declined from £325,000 in 1840 to £166,073 in 1864—which not only afflicted individual traders but the revenues of the Colony as a whole.⁷

In the case of John Sarbah and a number of other independent African merchants of Cape Coast, there seems good reason to stress the late 1860s and 1870s as the crucial period of breakthrough. The latter decade brought greater prosperity to the Gold Coast through a fairly steady increase (with annual fluctuations) in the volume of palm oil exported and the emergence of a new export product, palm kernels. Within this context it is perhaps significant that 1869–70 is the first listed year for most of Sarbah's trade journals and ledgers. A second stage in the development of steamshipping may also have played a part in the expansion. The year 1869 also saw the emergence of West Africa's second major steamship line, the British and African Steam Navigation Company, whose competition with the African Steamship Company brought on a price-cutting war⁸ which, though brief, may have provided an added boost to many enterprising traders. It must not be assumed, however, that the turn to steamships by Gold Coast traders was rapid and uniform. The records of the John Sarbah and the W. N. Ocansey firms, while far from complete on this issue, suggest that a considerable number of African firms were still relying to some extent on independent sailing vessels (often American and German) up until the 1880s.

The entrance of an increasing number of young Africans into trade was facilitated by the more liberal extension of credit by British consignment houses to small independent trading firms throughout the British empire in the middle decades of the century. Closely tied to this was an easing of local credit terms and facilities in the Gold Coast, which involved the advance of goods on credit with low interest rates and little or no down-payments, plus money loans to small traders. Among other factors mentioned in contemporary African-owned newspapers as encouraging more people into trade in the 1870s, the most important seemed to be the relaxation of tension on interior trade routes following the Asante War of 1874–5.

The well-springs of trading entrepreneurship run deeply into the society and culture of the Akan and other ethnic groups of Ghana and are

⁶ Select Committee on Western Coast of Africa: *Reports of Committees* (1865), [412], 196–7, v.

⁷ In 1863 the exports of the British firm of F. and A. Swanzy came close to making up the total of the export bill for the entire Gold Coast Colony. See Henry Swanzy, 'A Trading Family in the Nineteenth Century Gold Coast', *Transactions of the Gold Coast and Togoland Historical Society*, II, 2 (1956), 113–14.

⁸ P. N. Davies, 'The African Steamship Company', in J. R. Harris (ed.), *Liverpool and Merseyside* (London, 1969), 218–19.

difficult to isolate. Obviously, exposure to European commercial contacts was influential, but it is the contention here that the entrepreneurial qualities manifested by the merchants and traders of Anomabu, Cape Coast, Elmina, Saltpond and elsewhere were of ancient vintage in West Africa. Among European sea captains and traders who visited the Gold Coast in the seventeenth and eighteenth centuries, the commercial sagacity of the Fanti, Agona, and other peoples of the central coastal states had been proverbial.⁹ Recent field studies in economics and anthropology have demonstrated beyond doubt the capacity of West Africans in many traditional pursuits for astute and often ingenious responses to economic stimuli.¹⁰ From comparative analysis of many societies, social and economic theorists have stressed the degree of social approval awarded to economic gain as being one of the vital determinants for the spread of entrepreneurial attitudes and skills. And from what we know of the backgrounds of the successful Ghanaian merchants of the central coastal states in the nineteenth century, it seems evident that their socialization in a milieu where small-scale trading was pervasive and where 'buying cheap' and 'selling dear' were raised to high arts played a fundamental part in the inculcation of an entrepreneurial spirit. Though it would be a mistake to ignore certain ascriptive and authoritarian elements in Akan traditional society which may have acted as a check on excessive individualism, in their observations on the Fanti and other coastal peoples, the more perceptive nineteenth century chroniclers did not find the strong constraints against competitive enterprise and accumulation of personal profits that were operative in some other traditional societies. Individualistic achievement and the acquisitive spirit were accelerated in the Fanti states by the absence of a rigid class structure and the relative freedom and mobility allowed within the social system.¹¹ Nor is it fair to assume that the communalistic tendencies in the traditional extended family system were wholly antithetical to entrepreneurship. Recent research on contemporary Ghana tends to confirm that frequent requests by relatives for loans or gifts of money may inhibit the ambition or diminish the effectiveness of traders; on the other hand, this research also emphasizes that family co-operation may aid in the initial organization and financing of firms.¹² A number of members of the nineteenth-century mercantile elite were the sons of traders and had participated

⁹ See, for example, Thomas Phillips, *Journal of a Voyage made in the Hannibal of London* (London, 1693, 1694), quoted in Freda Wolfson, *Pageant of Ghana* (London, 1958), 76–7. Captain John Adams, *Remarks on the Country extending from Cape Palmas to the River Congo* (London, 1823), 15–23.

¹⁰ A notable example is Polly Hill, e.g. *The Migrant Cocoa-Farmers of Southern Ghana* (Cambridge, 1963); *Studies in Rural Capitalism in West Africa* (Cambridge, 1970). See also, Rowena M. Lawson, 'The Transition of Ghana's Fishing from a Primitive to a Mechanized Industry', *Trans. Hist. Soc. of Ghana*, ix (1968), 90–104.

¹¹ Brodie Cruickshank, *Eighteen Years on the Gold Coast of Africa*, I (1853, 1966), 242–5, 294. There are a number of examples of ex-slaves who rose to positions of wealth in Fanti society.

¹² The various sides of this issue are discussed in P. C. Garlick, *African Traders and Economic Development in Ghana* (Oxford, 1971), 99–102.

in or observed the family production and sale of palm oil for market. Often the independent trading firms which they organized were family firms, in which family capital was mobilized and where relatives frequently served as partners, store managers or employees. There is little to suggest that family ties or favouritism interfered with the effective leadership of business proprietors such as John Sarbah. Indeed, the links which the nineteenth-century African merchants of Cape Coast maintained with relatives and friends in the other coastal towns and in important up-country buying centres, such as Jukwa, Dominasi, Abasa, Mankessim and Agona-Swedru, aided in the development of the trading networks that were essential to the merchants' success.

If it is true that Ghanaian entrepreneurship derived mainly from values inherent in the traditional socio-economic system, it can also be said that John Sarbah and others in the coterie of prosperous African merchants developed new business methods and attitudes which were influenced by western acculturation. Of these influences the most important undoubtedly was English education organized under the auspices of Christian mission schools. Clearly, the influx into the towns of an increasing number of youths trained at mission schools in rudimentary book-keeping and writing, and unwilling to return to traditional agricultural occupations,¹³ helped to expand the trading population. Some school-leavers entered missionary service as teachers and deacons, others were employed by the colonial government; many more went into small-scale trading or gained experience as clerks for the European firms of Forster and Smith, and F. and A. Swanzy. Obviously the impact of English education went beyond the mere development of literacy and vocational skills. As Kimble notes, the general process was one of furthering the development of a status system based on achievement at the expense of one based more on age and custom.¹⁴ How far the religious and ethical training stressed at the Wesleyan schools (which were dominant in the central region) may have strengthened certain attitudes associated with entrepreneurship is difficult to measure. It is worth noting in passing that Sarbah and other African merchants were guided by a creed embodying frugality, hard work and a disciplined routine similar to that extolled in English self-help manuals of the period. These qualities were emphasized in the sermons and in the agricultural and vocational training programs of the renowned Thomas Birch Freeman, leader of the Gold Coast Wesleyan community in the 1830s and after. A majority of the educated African merchants and professional men of the central port towns were members of the Methodist Church and had been educated at its schools.¹⁵ The effects of church membership on the development of modern political movements in Ghana have been stressed

¹³ *Gold Coast Blue Book Report for 1849*. Letter from the Rev. Fletcher (Wesleyan Society), encl. in Ussher (91) to C.O., 28 Mar. 1880; C.O. 96/130.

¹⁴ David Kimble, *A Political History of Ghana* (Oxford, 1963), 130.

¹⁵ F. L. Bartels, *The Roots of Ghana Methodism* (Cambridge, 1965), 18, 25, 35, 88, 145 and *passim*.