

BOOK REVIEW

A.G. Hopkins. *Capitalism in the Colonies. African Merchants in Lagos, 1851–1931*. Princeton University Press, Princeton (NJ) 2024. xxi, 551 pp. Ill. Maps. \$49.95; £42.00. (E-book: \$49.95; £42.00.)

I had been looking forward to reading this book ever since seeing Professor Hopkins present a preview at the annual meeting of the African Economic History Network in Las Palmas de Gran Canaria in 2022. It did not disappoint. As the subtitle suggests, *Capitalism in the Colonies* is an in-depth study of the fortunes of African merchants in Lagos and the role they played in shaping the city's economic development – and that of Nigeria more broadly – under British colonial rule. The story is told across sixteen chapters and is based on a sample of 116 entrepreneurs active during the period 1851–1931, supported by extensive archival sources.

The focus of this extensive study lies in the period between the British bombardment of Lagos in December 1851 and the early years of the Great Depression. The later chapters and conclusion also provide a sketch of the final decades of colonial rule, although Hopkins is careful to note that the detailed history of entrepreneurs after 1931 remains to be written (p. 499). Chapter One serves as an introduction. It begins with a brief discussion of the renewed prominence of the concept of capitalism in economic history and highlights an important omission: the role of entrepreneurship. To identify the subject of the entrepreneur, Hopkins turns to the works of French economists Richard Cantillon and Jean-Baptiste Say, who viewed entrepreneurs as “risk-bearers operating in the conditions of extreme uncertainty that typified pre-modern economies” (p. 19). As Hopkins convincingly argues, this offers a more appropriate starting point than contemporary conceptualizations of entrepreneurship, which are grounded in the current economic environment of the Global North.

Most of the entrepreneurs in Hopkins's sample were members of the Saro community: formerly enslaved Yoruba who had been freed and resettled in Sierra Leone, where many converted to Christianity and received a mission education. In time, they returned to their former homelands and settled in Lagos. The Saro were key intermediaries between the British colonizers and the African population, working as merchants, civil servants, and church members. This enabled them to seize emerging economic opportunities and, as the biographies in later chapters demonstrate, often to accumulate considerable wealth.

Hopkins also explores Lagos's character as a colonial port city. He begins with von Thünen's 1826 work on the relationship between city and countryside and then turns to contemporary research on port cities.¹ He emphasizes the need to understand the

¹ Johann Heinrich von Thünen, *Der isolierte Staat in Beziehung auf Landwirtschaft und Nationalökonomie* (Hamburg, 1826).

specific colonial dynamics of Lagos – shaped by the Atlantic slave trade and its abolition – which created challenges for entrepreneurs not found in port cities on other continents.

Chapter One concludes with an outline of the book, which is structured around three periods, each marked by a major shock: the British decision to end the slave trade and establish a consulate in Lagos in 1851; the British invasion of Yorubaland in 1892 leading to the creation of the Colony and Protectorate of Nigeria; and World War I. Each part begins with a general discussion of Lagos during the respective period, focusing on trade patterns, colonial policy, institutional change, and demographic trends. This is followed by biographical portraits of notable African merchants, either as part of the broader narrative or, in the case of the most influential entrepreneurs, in dedicated chapters.

The first period, from 1851 to c.1880 (Chapters Two to Five), is characterized as the “Golden Age” of African merchants in Lagos (p. 162). The city expanded, legitimate commerce grew, and the terms of trade were favourable. A property market emerged, and many merchants used their newfound wealth to acquire land, which, in turn, enabled them to access credit and expand their trading activities. Yet, the period was also marked by export price volatility and significant institutional uncertainty in the nascent credit market. Colonial policy during these decades still reflected an ideal of equal partnership with African converts in pursuit of the civilizing mission. While traditional elites, who often built their wealth on the slave trade, struggled to adapt (one exception being Daniel Taiwo, the subject of Chapter Four), the Saro were well-positioned to exploit new opportunities, as illustrated best by James Davies, the wealthiest merchant of the time (Chapter Five).

The second period, from 1880 to 1900 (Chapters Six to Nine), intersected by the British invasion of Yorubaland in 1892, is described as “one of unrelieved gloom” (p. 170). Conflicts between Yoruba states disrupted the supply of export goods, the terms of trade deteriorated, and increasing European competition challenged the profitability of African exporters. The ideal of cooperative colonialism receded, and growing racism limited opportunities for Saro in the public sector. These trends intensified with the invasion of Yorubaland, and the economic environment improved only after the turn of the century.

Nonetheless, Saro merchants adapted. Some shifted from export to import trade, leveraging their local knowledge and networks. Others used the expanding property market and monetization of the economy to create a thriving credit sector, exemplified by Richard Blaize and Isaac Williams (Chapter Eight). Some, like James Davies, even left Lagos and turned to agriculture (Chapter Nine).

After 1900, Lagos experienced another period of prosperity. While large European firms now dominated the export trade, Saro merchants continued to succeed in the import trade and introduced a range of new products, including sewing machines (Dada Adeshigbin) and motor vehicles (William Dawodu), as discussed in Chapter Eleven. Others, like Candido da Rocha, innovated in the financial sector and pioneered property rentals (Chapter Eleven). One of the most significant developments of this period was the promotion of cocoa cultivation by a group of Saro farmers led by Jacob Coker (Chapter Thirteen), which helped establish Nigeria as West Africa’s second-largest cocoa exporter.

World War I, the final shock covered in the book, initiated a period of prolonged stagnation that would last until the end of World War II (Chapters Fourteen and Fifteen). International trade was disrupted, and the expulsion of German firms from Lagos created a business environment that disadvantaged African merchants. Although the postwar boom revived African trade briefly, the bust of 1921 brought a swift decline. This led to the phenomenon of “mushroom gentlemen” who “disappeared as quickly as they had grown” (p. 448). Competition from large European firms intensified, culminating in the establishment of Lever’s United Africa Company in 1929. Most African merchants who survived these upheavals “did little more than stay afloat” (p. 454).

This overview, necessarily brief, cannot capture the full breadth and depth of Hopkins’s history of Lagos’s merchant class. The book features many more biographies, each providing detailed discussions of business trajectories, property transactions, trade volumes, and product portfolios (sources permitting), and supplemented with rich descriptions of private and family life, philanthropic endeavours, and interpersonal dynamics amongst Lagos’s elite.

The economic and institutional context in which these entrepreneurs operated is discussed with equal care. International trade developments, institutional and geographical trade barriers (and their gradual removal through colonization and railway construction), and the constraints faced by African merchants are explored throughout. A recurring theme is how African merchants sought to overcome existing constraints through institutional innovation. This, combined with their economic activities, underscores the central role of African entrepreneurs in transforming Nigeria’s economy and institutional environment.

Hopkins’s narrative largely confirms the established account of the decline of the Saro merchant elite after their “Golden Age”, but adds significant nuance: the decline occurred later than previously assumed, was relative rather than absolute, and was not unique to African firms – which usually were sole proprietorships and eventually disappeared – but also affected most European firms active at the time.

Overall, Professor Hopkins has produced a remarkable work. As he notes in the preface, the book was more than half a century in the making. Much of the fieldwork underpinning the sample of 116 entrepreneurs – including interviews, personal letters, and photographs – was undertaken in the early 1960s. Regrettably, the passage of time means that much of the original material is now inaccessible. Even the physical landmarks left by Lagos’s merchant elite have largely been destroyed. This poses significant challenges for scholars hoping to replicate this research. However, there is some good news for those wishing to study the Lagos merchants further: Professor Hopkins plans to make his research notes available in Cambridge and Lagos.

The result of sixty years of research is a monograph that stands in the tradition of Arthur H. Cole and Harvard’s Research Center in Entrepreneurial History (1948–1958). It presents compelling narratives that offer an exceptional level of insight into a group that has received little scholarly attention and provides an engaging alternative to the “big data” approaches that have become increasingly dominant in (African) economic history.

Despite the book’s comprehensiveness, Hopkins also highlights promising areas for further research, including the history of property in Lagos, the development of

colonial Nigeria's internal market, the history of Lagos entrepreneurs after 1931, and more detailed studies of merchants outside the group of Saro gentlemen – such as women traders and Muslim merchants – who appear only occasionally due to source limitations.

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