

TRADE AND DISTRIBUTION IN GOLD COAST

TRADE

Trade is directly related to commodity exchange or transfer economy where there is buying and selling of goods and services for satisfaction and money or money's worth respectively. Trade can be called commerce, transaction or barter. Most individuals think or assume that trade always take place in a particular geographical area and as such would want to see a landmark or an area or structures before he or she can fully be satisfied and engage in trade. Unfortunately, that is not the case, the only thing that is needed in trade is a network or contact between buyer and a seller and this network is called a market. Hence, one does not need to necessarily stand in a physical market place before he or she engages in trade. In the comfort of one's home, one can transact trade and the platform used by the buyer and the seller for the transaction is what is referred to as a market. We can have a market on the phone, place, internet etc.

WHY TRADE?

Trade was taken to birth with the beginning of human life and shall continue as long as human beings live on the earth. Trade came to being due to the satisfaction of human want. Trade has since become an important social activity because the society needs uninterrupted supply of goods and services for the ever changing but never ending human want. It is ever changing because the composite of the world's population keep on changing (dynamic) as well as changing trends of demand due to globalisation. Never ending because the needs of individuals are unlimited so trade will always be with us.

In addition to the above, trade exists due to specialization and division of human labour. As individuals develop their abilities in various sectors, it becomes highly imperative for individuals to exchange the product of their specialty. For instance, a given people in a geographical region will develop themselves based on the type of environment they find themselves. Trade will become inevitable in such an environment as there will be interdependence on products of other regions or products produced by other regions, all to satisfy human need.

Trade is important to man because it enhances the standard of living of consumers. As individuals grow more and more in need of goods and services, there is the high tendency of gaining commodities that will add some form of value to their lives and as such increase their

standard of living. In other words, consumers develop their way of life as they consume goods and services.

It is very important to note that the primary aim of trade is not only to enhance profit but also to enhance the standard of living of consumers.

TYPES OF TRADE

There are two types of trade. These are **foreign trade** and **domestic trade**.

Foreign trade is also known as external or international trade. It refers to the buying and selling of goods and services between two or more countries. There are three aspects or windows to foreign trade. Namely: **import, export** and **entreport**. **Import** can be described as a form of trade where a local or home country buys goods and services from another country mostly for domestic use (for production or distribution or consumption). **Export** on the other hand is a form of trade where a country sells goods and services to another country i.e. the goods and services are sold outside the local country. **Entreport** is used to describe a trade form where goods are imported from one country and re-exported to another country after doing some processing. Entreport is thus export of processed imported goods.

Domestic trade is also known as internal or home trade. It is conducted within the political and geographical boundaries of a country. It can be conducted at village/town, district, regional, or national levels. Domestic trade has two faces. Namely: **wholesale** and **retail**. **Wholesale** is a trade situation where goods and services are sold on a large scale or in bulk quantities. This is mostly done for further sales of the goods. **Retail** is a form of trade where goods and services are sold in smaller quantities usually to the final consumer.

EVOLUTION OF TRADE

This section is basically divided into two main sub-sections. The first sub-section tries to deal with trade before the arrival of the Europeans whereas the second sub-section also look at trade during the period of the Europeans.

Trade before the arrival of the Europeans

Historic literature available proves beyond reasonable doubt that there were both internal and external trading activities in gold coast before the advent of the Europeans.

Internal trade

The economy by then was a subsistence economy and the main economic activities were farming and fishing. There was fishing industry along the coasts; farming was also practiced by the people in the sub coastal regions and in the interior. Sometime between 2000 and 1000 BC, farming began in the forest areas. And crops that were of importance included the local white and yellow yams, oil palm, cowpeas.

More so, there were some industries developed out of the skills and craft of the people before they came into contact with the Europeans. There existed in the economy the iron, copper, gold, ivory, pottery, cloth, salt and woodcraft industries

It was basically from hand to mouth, that is, for their household consumption. And since there was the taste and preference for other food items, the people of the different geographical areas of the various regions began to exchange goods and produce. This exchange was necessitated by the differences in natural and mineral resources of the grassland, forest and coastal regions. Once the contact between the three got established, there was a kind of exchange which led to the exchange economy. It is very worthwhile to note that the economic system practiced by then was the barter trade system, that is, the exchange of goods for other goods.

The trading activities that involved the various regions of Gold Coast had following nature:

The Akan people of the forest area established trade contact with the Guan, Ga-Dangme and Ewe to the south from whom they obtained commodities like fish, salt, cloth with crops that did not do well on coastal soils like cassava. The Akans also kept in touch with the people of the savanna region of the country to the north. Here, crops and fish were exchanged for livestock. The earliest source of salt for example, made available for some Asante towns like Kaase, Tafo, and Amakom were from Daboya in what is now called Central Gonja. The earliest source of iron was also from the north.

The challenges include double- coincidence of wants: there was the difficulty for people to find those who had what they wanted and at the same time wanted what they had. Also, the barter system was time consuming, since most people had to spend a whole day or even more searching for prospective clients. Again, there was the problem of portability. Some commodities were so bulky (e.g. cow) that they became burdensome and clumsy to carry along looking for a partner to affect exchange. Besides the above, the system had the challenge of exchange rate. There was no

standard rate of exchange because there were different exchange rates for different pairs of goods. It was also very difficult to determine the value of one commodity in terms of the other. Due to some challenges, the barter system was replaced with the money economy; where an accepted legal medium was used to purchase goods in the form of buying and selling. It is very important to note that the domestic exchange of goods by people from the different geographical zones became the foundation for a wider trade contact with people outside gold coast.



External Trade

The trans-Saharan trade was the trade that developed between the Berbers of North Africa and the Negroes of the Western Sudan. This trade linked together North Africa, the Mediterranean world and Europe, the Sahara, the savanna and the forest areas of West Africa. The trade is also referred to as the trans-Saharan Caravan trade due to the caravan nature of its organization.

The trans-Sahara trade, according to recent evidence, began in third or fourth century A.D. But the actual development of the trade started in the seven century and reached its peak between 1300 and 1600. The different regions involved in the trade produced certain commodities that could be sold or were in high demand in one or another of the zones. These commodities comprised the industrial goods of the Mediterranean world, Europe and North Africa; the salt, dates of the Sahara; the ivory, gold, slaves and provisions of the savanna and the gold and cola nuts from the forest areas. Salt, gold and slaves were the most important items of the trade.

The development of the trans-Saharan trade was also facilitated by the political events that occurred in the Western Sudanese states between the seven and eleven centuries. These centuries

saw the rise of empires including Ghana. After the collapse of Ghana Empire in the twelfth century, the Mande migrated in large numbers southward into the gold and cola producing areas of modern Ghana. They pioneered the trade in gold and cola nuts into the areas of Niger and Hausa land. To ensure the effective conduct of this trade, the Mande founded Begho, Dzulaso, to serve as the main trading and collecting centres of the forest products. From the sixteenth century, the Hausa participated in the trade with modern Ghana.

Western route started from Fez in Morocco, passed through Sijilmasa, Awdaghost and ended in Kumbi Saleh. Another Western route started from Tlemsen in Algeria, passing through Tuat to reach Timbuktu in Mali. The central route emerged from Tunis and passed through Ghadames, Ghat, Agadez and finally to Gao in Songhai. The major Eastern route started from Tripoli, passed through Bilma, Kanem-Bornu and ended in Hausa land. All these trade routes were controlled by the Tuaregs. They sometime buy merchandise from the rich Berbers merchants of North Africa and exchange them with other commodities in the markets of the Western Sudanese States.

Long Distance Trade (Before)

Long Distance Trade is a term used to describe trade transactions over a long distance, say fifty miles. Trade as it is seen is an age old venture. This section seeks to examine long distance trade in Gold Coast before and after the arrival of Europeans. It would also look at trade routes and articles of trade.

Before the arrival of Europeans, the people of Gold Coast engaged in long distance trade. This trade was among the Gold Coasters and beyond. The people at the Coastal regions were also trading among themselves, those at the forest and to the up north. Gold, salt and kola nuts were produced from the Coastal and forest zones and were traded with the people up north for grains, ivory etc. The Gold Coasters also partook in the well-developed Trans-Sahara Trade. That was a trade across the Sahara desert to the North Africa. In Gold Coast, gold, salt, kola nuts ivory, grains were produced and exchanged for North Africa manufactures such as cloths, iron and beast of burden like horses, donkeys. Exotic drinks like schnapps dry gin were sought after commodities in the Gold Coast like gold in the North African markets. Settlements on the routes developed into important towns. Mention could be made of Kpando, Salaga, Krachi, Hohoe,

Yendi, Begho, Kumasi, Kintampo etc. Indeed, the people of Gold Coast engaged in long distance trade before the arrival of Europeans.

The Pre-European long distance trade was conducted among the people themselves. The coast, forest and the savannah people traded in various articles among themselves. They also partook in the Trans-Sahara trade with the people of Hausaland and beyond. Settlements on the trade routes Kumasi, Kpando, Salaga, Yendi etc. became towns.

TRADE DURING THE PERIOD OF THE EUROPEANS

Gold Trade

Before the arrival of the Europeans, there was a definite trade route linking the coast and the forest of Ashanti with Jenne and other commercial centers in the middle Niger in the Western Sudan was in existence. The forging of the link was the work of the Mande –speaking people whose trading activities cut across West Africa. Having colonized Begho, which was situated in a gap in the Baiida Hills on the northern fringes of the Ashanti forest, the Mande conducted their trade with the local inhabitants living to the south of them and even pushed further south to the coastal areas where they carried out active trading in gold before the arrival of the Portuguese. From the Ivory Coast were bought quaua cloth while Whydah and Adra (in modern day Republic of Benin) supplied traders in the Gold Coast with cloth in exchange for gold and items. The Portuguese were the first to arrive in Gold Coast. By 1471, under the patronage of Prince Henry the Navigator; they had reached the area that was to become known as the Gold Coast because the Europeans knew the area as the source of gold that reached Muslim North Africa by way of trade routes across the Sahara.

The Europeans initially encountered a variety of states which controlled substantial deposits of gold in the soil. Gold was regarded as a deity by the locals. It was therefore sacred to the locals hence they restricted the gold trade. The Europeans were prevented from going into the interior to have access to the gold.

The earliest Portuguese traders on the coast were seeking to outflank Europe's traditional suppliers of gold from the region, the trans-Saharan caravans. The initial Portuguese interest in trading for gold increased that in 1482, they built their first permanent trading post on the western coast of present –day Ghana .This fortress, Elmina Castle, constructed to protect Portuguese trade from European competition. Their participation in the gold trade in the Gold

Coast from 1485 was to give them access to commodities which could be exchanged for gold which was in high demand in Europe for minting coins and as an item of trade with the East.

Mercantilism was the main factor for the coming of the Europeans to the Gold Coast in the fifteenth century. Mercantilism is an economic doctrine based on the premise that national wealth and power was best served by increasing exports and collecting precious metals in return. Mercantilist nations were impressed by the fact that precious metals, especially gold, were in universal demand as the ready means of obtaining other commodities; hence they tended to identify money with wealth. As the best means of acquiring bullion, foreign trade was favored above domestic trade, and manufacturing, which provided the goods for foreign trade, was favored at the expense of the extractive industries (example, agriculture).

That gold was of prime importance during this period, this could be inferred from the fact that, King Henry the third of England for example, relied on West African gold for coins struck at the London mint. The United Province (Holland) also relied on West African gold for her coinage until about 1630.

By 1500, Portuguese annual export of the precious metal through Elmina stood at 567 kilograms. The volume increased to between 900 and 1400 kilograms at the close of the sixteenth century. Barbot and Bosnian, resident agents on the coast for French and Dutch companies respectively reported in the late seventeenth century that about 1.5 tons of gold were being exported annually from Gold Coast to Europe.

The period of the Danish presence on the Gold Coast was due to the interest in gold trading. Africans exchanged locally produced goods with commodities imported from Europe. The Danish possessions were integral parts in the economic system in West Africa and on the Gold Coast. The Europeans relied on alliances with local leaders in order to be allowed to trade with gold. The kings and leaders of the coastal societies had keen interest in attracting many European merchants. They signed treaties with a number of European trading companies leasing coastal lands, where trade posts and forts were established. The trade often went through local merchants and trade agents, who lived in the towns which gradually emerged around the trading posts. Calculations show that the Danes, from 1660 until the 1760s, purchased and exported a total of approximately 3 tons of gold.

News of the successful trading in gold spread quickly and eventually British, Dutch, Prussia and Swedish traders arrived as well. The European built several forts along the coastline. The Gold

Coast had long been a name for the region used by Europeans because of the large gold resources found in the area.

Slave Trade (Atlantic)

By the 1720, the trade in slaves had over taken that of gold, though companies still demanded for gold. Nevertheless, the emphasis gradually shifted to trade in humans. This slave trade was known as the Trans-Atlantic slave. This was the shipment of slaves (humans) from Africa to the New World across the Atlantic Ocean. The main aim of this trade was to provide relative cheap and substantial labour force for the plantation economy in the New World.

In return for slaves, European traders brought cotton cloths, beads, mirrors, iron rods, brass pans, rum and brandy. Thus in as much as they had terms of trade, the Europeans gained more profit because they traded humans for cheap surplus consumable goods. From the mid-seventeenth century, they started bringing firearms. The later commodity had a profound influence in political development in the Gold Coast. The firearms were used in raids for slaves but more importantly they made possible the creation of military states like Denkyira, Akwamu and Asante. Mention can be made of the Asantes imposing tariff on the people of Dagbon to produce 500 slaves annually and this lasted for over 129 years. This was possible because the Dagbon were overpowered by the Asantes and so can demand slaves from them.

The eighteenth century saw the peak of the traffic in human beings as a result of increase demand for African slaves. The slave trade occurred between 1650-1807, precisely in the Gold Coast.

Nevertheless, towards the late eighteenth century, owing largely to the expansion of industrial revolution in Europe and the activities of humanitarians the slave trade gave way to legitimate trade.

Legitimate Trade

Towards the late eightens century, owing largely to the expansion of industrial revolution in Europe and the activities of enlightened humanitarians, the slave trade was abolished. This pave way for the legitimate trade after 1807. This was the demand for raw materials and agricultural produce. This trade saw the mass participation of those in the interior of Gold Coast. There was the exportation of palm oil, rubber and groundnut. There was a very high demand for palm oil as

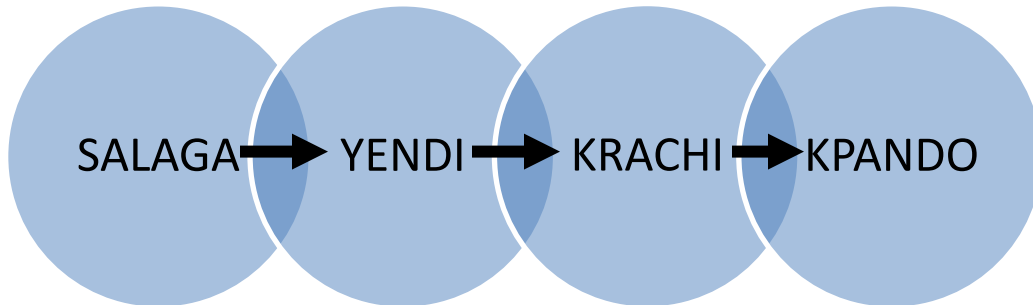
there was the need for it in the period of industrial revolution. They served as lubricants. Again, there was the production of cotton of which Gold Coast was able to capitalize. Rubber was produced from the Western part of Gold Coast. From the interior, the transportation of agricultural produce was very expensive, so most of the production took place along the coast. It was however during the colonial period that those from the hinterland fully participated in the international economy, which was made possible by the construction of railways and roads linking the interior to the coastal areas. The cultivation of the agricultural produce demanded large scale production which required more labour therefore; there was an increase in domestic slavery. Unlike the slave trade, it was easier for individuals to trade in small amounts. Women were able to get involved in small scale commerce in the course of the nineteenth century. The people of Gold Coast before 1807s, enjoyed favourable terms of trade. However, with the collapse of prices during the great depression, 1880s and 1890s, there was the quest by the Europeans to protect their commercial interest.

TRADE ROUTES

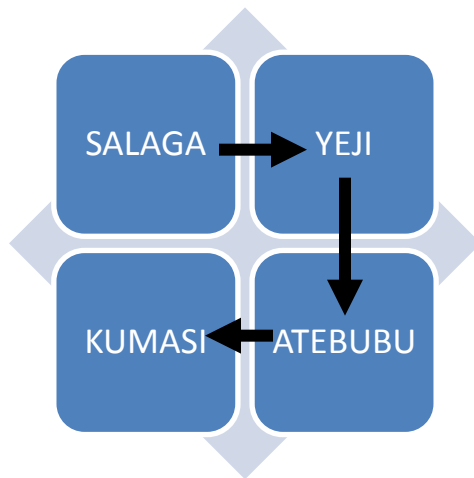
The internal trade routes in the Gold Coast, during the presence of the Europeans, were from Daboya to Tafo, Kaase and Amakom down to the coastal areas of Gold Coast. There were trade routes from Salaga which linked that of Krachi, Yendi to Krachi and to Kpando in the Volta Region. Goods and slaves were transported across the Black Volta to the coastal regions. There was another trade route from Salaga to Yeji to Atebubu and then to Kumasi. There were trade routes from Kumasi that linked to Elmina, Cape Coast and Komeda. It is worthwhile to note that these Northern trade routes that linked the South, during the era of the Trans-Sahara Trade were directed up North. Therefore the external trade routes during the Trans-Sahara Trade were from Kpando to Krachi to Salaga then to the Hausaland. There were routes from Begho to Jenne, Timbuktu and Segou. There was a definite trade route linking the coast and the forest of Ashanti with Jenne and other commercial centers in the middle Niger in the Western Sudan.

During the presence of the Europeans, there were internal trade routes from Salaga, to Kpando and to Krachi which linked Denkyira, Tafo and other Ashanti towns down to the coastal regions of Gold Coast. From the coastal regions the commodities were transported to the European countries. For the slave trade for instance, slaves were transported from these coastal towns such as Elmina, Cape Coast to the New World across the Atlantic Ocean. The main route used in the

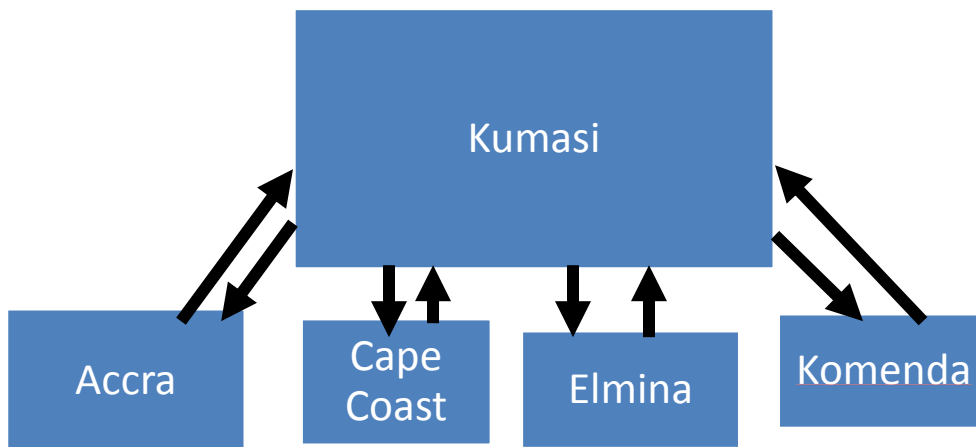
Trans Atlantic slave trade was called the Triangular Trade Route. It was a link between Africa, the New World and Europe. In that slaves were taken from Africa to work on plantations in the New World, then raw materials were picked from America to Europe for production.



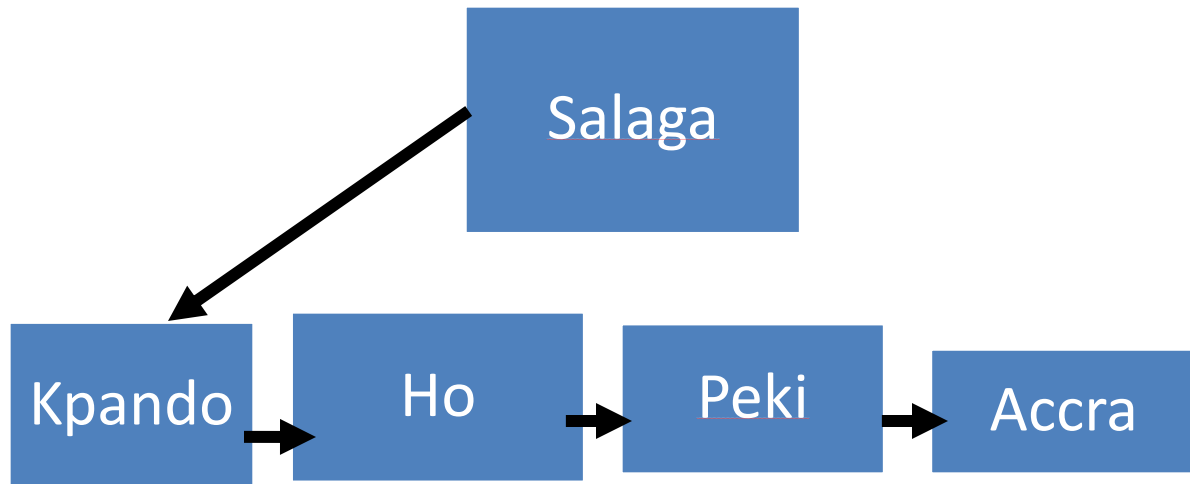
Northern internal trade routes



Northern trade routes



Central trade routes to and from the southern coast



Internal trade routes

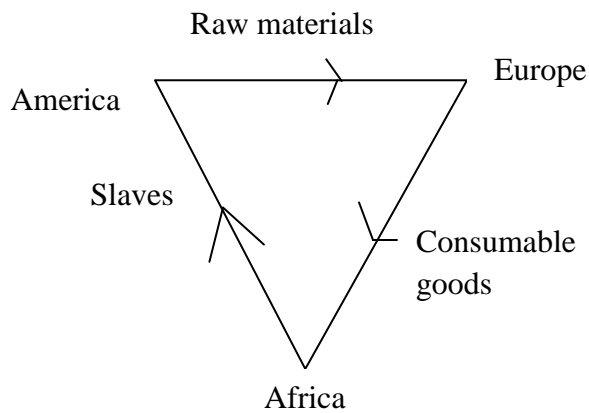


Diagram for Triangular Trade Route

Long Distance Trade (After)

The people of Gold Coast engaged in long distance trade after the arrival of Europeans. Apart from the people trading among themselves, they also undertook trade transactions with the Europeans. European manufactures such as cloths, iron bars, drinks, guns, gun-powder were exchanged for the most precious metal, gold, sought after in Europe which could be found in abundance in Gold Coast. The gold was mined at the coast and the forest regions. Ivory was also a commodity the Europeans sought. In the course of time, due to a dire need of man-power in the New World, slave trade was also introduced. In contrast, while the largest Pre-European trade

was Trans-Saharan, that of the European epoch was known as Trans-Atlantic. The first trade was through the Sahara desert while the latter was through the Atlantic Ocean. The trade routes towards the north changed towards the south and converged at the Coast. Some of the most important Coastal trading posts were Cape Coast, Elmina, Accra, Anlo, Komenda, etc. The trade routes in the Trans-Saharan were maintained but changed directions towards the Coast. The camel was the largest cargo in the Trans-Saharan trade while the ship became the largest cargo in the trans-Atlantic trade. In the course of time, crops of exotic use such as cocoa, rubber, palm were introduced into the economy. In effect, the people of Gold Coast indulged in long distance trade after the arrival of Europeans. The arrival of the Europeans changed the trade routes direction from north to south and converged at the coast. Komenda, Elmina, Cape Coast became important trading posts. The people of Gold Coast produced gold, ivory to exchange for European goods like gun, gun-powder, iron bars etc. Human beings became part of the articles of trade in a profound manner upon the discovery of the New World. Though there was mutual benefit, the Europeans seem to benefit more than their African counter-parts.