is lowest in industries where competition is keen, highest in concentrated sectors of the U.S. economy such as steel.

While this finding lends credence to the complaints of auto, steel, and other manufacturers, the authors point out that such industries traditionally have lower rates of return. They also suggest that unions actually *improve* efficiency in monopoly-sector companies, which otherwise would have few market incentives to innovate.

This conclusion will no doubt be debated. So will the book's other claims that unionism promotes wage equality and brings representative democracy to the workplace. But such debates should be welcomed. As the authors note, unions have far too long been depicted as either villains or heroes rather than as the complex institutions that they are.

—Mark Reutter

THE EMERGENCE OF AFRICAN CAPITALISM
by John Iliffe
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American, European, and African scholars have radically revised their view of African history three times in the past quarter century. John Iliffe, a Cambridge historian, was a leader in the first revisionist swing two decades ago. But Iliffe did not stand still. Here, in this illuminating portrait of the sources of African capitalism, he proves himself to be one of the major contributors to the third shift.

Until the late 1950s, African history as written in the West was primarily the chronicle of European activity on the continent. African economic and social organization was considered to be almost too primitive to merit scholarly consideration. The first revisionist swing altered the picture: African resistance to the "predatory" European colonial intrusion became the focus of the historical drama. Iliffe was prominent among those scholars who led the way in this radical and nationalist reinterpretation.

The second shift, which followed quickly, was an attempt to explain the lackluster economic and political performances of many newly independent African states under nationalist leadership, including Ghana, Mali, and Guinea. Scholars borrowed from Latin American studies the well-worn notion of "dependency," and once again assigned Africans and their institutions a passive role—this time as pawns in an elaborate international system of capitalist exploitation.

The manifest exaggerations of the dependency theory have recently prompted a third interpretation by scholars, one which places renewed emphasis on the internal causes of change. A crucial issue separating the most recent revisionists from the dependency folk is the question of the origins of capitalist forms of production in Africa. According to the dependency theory, capitalism was imposed from the outside, a pathetically deformed and peripheral version of advanced industrial economies. To Iliffe and others, this explanation overlooks some crucial dimensions of the autonomous development of capitalism in Africa.

African forms of entrepreneurship, Iliffe argues, cannot be dismissed as the parasitical ventures of a comprador bourgeoisie—an African commercial class working, in effect, as agents of multinational corporations. Iliffe briefly sketches some of Africa's homegrown enterprises: commercial agriculture, such as Ghana's cocoa plantations and Uganda's coffee farms, both created by local initiative; long-distance trade, particularly of kola nuts, gold, and gems in inner West Africa; artisanal production of such goods as textiles and dyes in northern Nigeria; and even the industrial manufacture of a wide range of light consumer commodities in several countries. He also explains how cultural forces, such as religion, have played a major role in the development of an indigenous economy: The Islamic culture of the West African savanna, for instance, has long provided a code of shared law, values, and honor—a code that helped foster trade and cooperation even in the absence of political unity in late pre-colonial times.

Iliffe notes what is perhaps the most distinctive feature of early African capitalism: the virtual inseparability of the "firm" and the individual entrepreneur and his family. Such a personal form of business is not without its limitations. Plural marriages and large households result in the distribution of the "capitalist's" wealth among many heirs—an obvious constraint on capital accumulation over time. But the family firm has certain advantages. The exchange of family members through marriage can serve as a guarantee of contract; family clients can be a useful asset; multiple wives enlarge the pool of household labor available for commercial agricultural production.

The backing of national governments could help make these small-scale ventures even more productive, thinks Iliffe. But the African state has usually been more a hindrance than a help. Colonial administrators often systematically impeded indigenous enterprise by favoring businesses run by Europeans, Indians, and other immigrants. And a number of post-colonial "socialist" regimes, including Kwame Nkrumah's Ghana and Julius Nyerere's Tanzania, have been hostile to domestic capitalism. It is, Iliffe believes, a misplaced antipathy: "African governments have shown that they can prevent capitalism; they have not yet shown that they can replace it with anything else that will release their peoples' energies."

—Crawford Young