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BOOK REVIEW

Stiansen Endre and Guyer Jane I. (1999) ***Credit, currencies and culture: African financial institutions in historical perspective*** **(**Stockholm: Nordic Africa Institute) 174pp.; ISBN 91-7106-442-7.

Even though this book was published almost a decade ago, it offers a historical perspective that will still be of interest to anyone interested in traditional forms of credit and currency and their transformation in a colonial context. This book contains seven chapters, each of them presenting a case study from a region located in West or East Africa. The cases presented illustrate the diversity and complexity of credit and currency systems within different financial institutions. Each article is somewhat unique in consideration of the reality displayed. The choice of a historical perspective allows understanding of the practices, beliefs and functions associated with these financial institutions and the community currencies they have produced, although some of these currencies are no longer in use.

In the introduction (p.1-14) Endre Stiansen and Jane I. Guyer describe the functioning of African financial institutions that were often built on the indigenous ideologies notwithstanding the introduction of a new and supposedly more efficient system brought about by the colonial administration. As a result, these financial institutions worked partly on the basis of formal rules and partly on the basis of informal and customary practices informed by local ideologies or a religious morality. In this introduction, the authors identify a number of concepts that help comprehend the financial transactions addressed in the following chapters of the book.

In the first article (p.15-37), Robin Law shows that the volume of commercial transactions of the pre-colonial Dahomey with the Europeans often favoured credit sales and purchases. In order to secure loans, the practice of "pawning" persons or goods was usual as well as the issuing of bills of exchange. The personal and informal nature of these transactions undermined the capacity to recover debts, even in the presence of State regulation. Cowries were thus introduced in financial transactions in order to offer an effective means of payment. In the 19th century, the excessive importing of this currency created inflation that further severed trade and credit in Dahomey.

James L.A Webb (p.38-55) shows that between 1700 and 1850, the people of Western Sahel maintained various business relations with other regions such as North Africa and the Black

African states, or even European states. Different currencies were in use in these regions. Glassware, cowry, iron, silver and gold could be used as instruments of payment. The stocking and transfer of values from one currency to another were then assured by merchants and brokers in the course of each transaction.

At the end of 19th century, in Sokoto Caliphate cowries were used as a currency even though they had a low monetary value. It was then necessary to carry them in very large quantities in order to be able to purchase high-value commodities. In addition, cowries were cumbersome and difficult to transport to distant exchange regions. Jan Hogendorn deals with this subject (p.56-71) and shows that slaves were set as being the ideal currency due to the fact that they were mobile. The slaves fulfilled the three functions of a currency: a unit of account, a way of storing value and a means of payment.

John Hunwick (p.72-96) underlines the influence of religion on financial institutions in Islamic countries. The author presents the Islamic ideology as well as its applications in Sub-Saharan Africa from the 10th century. In this context, the Koran functioned as a sort of manual that prescribed specific business practices. For example, it authorised trade but prohibited gains obtained from interest as well as financial speculation. The case of contemporary Sudan, treated by Endre Stiansen (p.100-117), allows the reader to grasp the influence of Islam on modern banking institutions. These react by creating mechanisms that allow them to fulfill their financial functions by getting round the Islamic laws without breaking them. For example, to avoid loans that produce interest, Sudanese financial institutions realize investments upon request of their clients to whom they make offers that allow them to obtain gains. All these practices are supervised by the Central Sudanese Bank.

Jane I. Guyer and Gregory Mann (p.118-145) deal with *Sociétés de Prévoyance* that were established from 1946 in the regions of West and Equatorial Africa. These *Sociétés,* introduced by the colonial administration, were a kind of credit cooperatives which main function was to create saving habits in the local population. In addition, they provided the peasants with seeds that could be obtained as loans as well as capital for farmers at reduced interest rates. The aim was to establish granaries that could help to counter the unpredictability of agricultural production. Despite their desire to adapt to local reality, these *Sociétés de Prévoyance* didn't succeed to gain the population's approval and failed a few years later.

Since various African financial institutions are established on a number of different ideologies, Akanmu G. Adebayo, in the last chapter of the book (p.146-174) chooses to present the Yoruba point of view on money during the pre-colonial period. This vision implies certain contradictions: while money confers economic power and a certain social status to its bearer, inversely it can also entail bad practices such as corruption, embezzlement and theft so it has to be kept under scrutiny from a moral point of view.

This collection of essays is rich and deserves to be read by researchers or practitioners interested in the historic diversity of financial configurations. Currency and credit acquire different forms depending on the financial transactions involved and the nature of the relations between the parties engaged in formal and informal contexts. This book emerged as the result of a series of seminars that took place at Northwestern University in Evanston, Illinois, in 1996. Various regions located between west and east Africa such as Dahomey, Yoruba, Sokoto Caliphate, Allada, Whidah, Sudan, Timbuktu, etc. are mentioned. Some of these names have ceased to exist. Since readers are not necessarily acquainted with African history, it is unfortunate that the book does not contain maps. Otherwise, all chapters are written in a simple style and contain very little jargon, which makes the book accessible to non specialists. The chapters are well documented, as the number of references cited in the footnotes testifies. Throughout the book, the reader is introduced not only to different financial institutions and currencies, but also to the economic and cultural contexts they were created in, evolved and sometimes disappeared.

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