SKETCHY ECONOMICS EVOLUTION AND AFRICA

12th – 14th century	-	Theology – Economics was guided by ethics and morality.
March 1488	-	European first contact in Africa
15th – 16th century	-	National Power – Trade creates surplus and the source of national prosperity.
17th century	-	Physiocrats – Agriculture is the only productive sector; circular flow of income; labor is the source of surplus and manufacturing is sterile. (Francois Quesnay).
1764	-	Beginning of Industrial Revolution – “Spinning Jenny” was invented in England.
1776	-	Classical Economics – Political economy, the Wealth of Nations (1776); natural order, free market and capital accumulation; functional income to labor, land and capital.
	-	Agriculture and trade are not the only source of surplus, manufacturing also creates surplus (Adam Smith, David Ricardo, Thomas Malthus, and John Mills.)
1838	-	Neo-classical Economics – Introduction of calculus and probability into economics. Johann von Thunen and Augustin Cournot.
1859	-	Biological Darwinism – the Origin of Species by Charles Darwin.
1860	-	Greenback issued
1870	-	Marginal Utility Revolution; economics as a natural science and fully mathematized. Recognizing economic players, the economic agents (William Stanley Jevons, Leon Walras Carl Menger (Austrian Economics) and Alfred Marshall). Henry George - The value of Land.
1870	-	only 10% of African land controlled by Europeans
1870-80	-	shipping, railway and housing construction in the U.S.
1884-1885	-	Berlin Conference – defining African national boundaries

1885		Simon Newcomb – the Psychological forces underneath changes in velocity and transactions—the principles of ex-ante and ex-post. How much of these concepts have Africans applied in their public policies?
1890	-	The Sherman Act – U.S. Anti-trust Laws was enacted. To curb small firms becoming larger and dominant in order to influence prices.
1885-1899		The Philosophy of Wealth and the Distribution of Wealth. Marginal product analysis.-John Bates Clark.
1899		Rather than make a static analysis, economics should be evolutionary through institutional changes, habits of thought and action. - Thorstein Veblen and John Common.
1904-1911		Economics becomes more scientific and AEA established. The quantity theory of money - Irving Fisher American Economic Review established
1913	-	The Federal Reserve System was established following discontinuation of two earlier banks of the U.S. and series of runs on the banks. Gold standard was built into the banking system.
1914	-	British government suspended gold standard; print more pounds to finance WW1. The US dollar poised to resume its role as world reserves currency.
1929	-	The beginning of the Great Depression of the 1930s.
1931	-	Britain dropped the Gold Standard.
1933	-	U.S. dropped the Gold standard and fixing an ounce of gold at $US35. (FDR). A new monetary regime started world-wide.
1933	-	Industrial organization, competing economic agents and allocation of resources. *The Economics of imperfect Competition* – E. H. Chamberlin. Joe Bain, Robert Triffin,
1912/1934		Schumpeter, J. *The Theory of Economic Development* based on institutional changes.

1936	-	The beginning of Keynesianism – Modern macroeconomics reflecting on *the General Theory of Employment, Interest and Money,* aggregate expenditure model by John Maynard Keynes.
1938	-	U.S. Congress created Federal National Mortgage Association (Fannie Mae).
1944	-	Bretton Wood - Conference for international monetary system. Three institutions were created - the IMF created to advise on members monetary policies; stabilize exchange rates and provide temporary assistance to countries facing BOP deficits; the World Bank saddled with power to lend money to war-turn and impoverished countries; and ITO now WTO.
1947	-	The Cold War began - Economics ideological warfare between Capitalism and Communism fought militarily in client States.
1950s	-	The Solow Growth Model – Labor Productivity is the key determinant of real GDP per capita and standard of living.
1950 -60s		The Age of Public Choice. Economics and the political market place - Samuelson, P.A; Coase, R.; Buchanan, J. and Tullock, G.; Oates, M.
1970	-	Congress created Federal Home Loan Mortgage Corporation (Freddie Mac). The responsibility of both Fannie Mae (1938) and Freddie Mac was to serve as middle government agents standing between investors and financial institutions, making more funds available for mortgages in the secondary market while reducing the risks).
1971	-	U.S. abandons $35 for an ounce of gold arrangement and gold standard was completely ended, (President Nixon), setting the stage for central banking and monetary policies. Another monetary regime began.
1957-1990	-	Decolonization of Africa began in Ghana formerly known as Gold Coast (1957) until Namibia gained independence in 1990. Most countries in the region gained independence in the 1960s. Owing to popular dissatisfactions in many of the countries, there were

	-	frequent changes in governments by military coups, leading in some cases to civil wars.
1992	-	Economic literature changed measure of social wellbeing from per-capita Gross National Product (GNP) to per-capita Gross Domestic Product (GDP).
1970s-2000	-	Independent countries of Africa along with fighting poverty and diseases are faced with economic/budget mismanagement leading to international debts. In order to attract investment and capital inflow, Structural Adjustment Programs (SAP) were introduced and implemented in the region. Trade liberalization was also encouraged to attract capital and take advantage of global economics, capitals never came, instead there are capital flights.
1990-2015	-	The international community were concerned about the plight of Africa and many impoverished countries of the world and introduced the Millennial Development Goal (MDG). MDG targets 8 key development indicators including universal primary education. Although, the program was generally hailed successful, per capita GDP in many nations of Africa as of 2015 is just a little above that of 1960s.
2006	-	Seventy years of Keynesianism resulted to spending, monetary and credit gluts.
2007-2008	-	The great recession caused by mortgage-backed securities and subprime loans. Banks balance sheet were loaded with toxic assets. Africa nations were insulated from this recession because, owing to institutional factors Africa had no housing markets.
January 2009	-	Bitcoin based on blockchain technology was invented by fictitious individual known as Satoshi Nakamoto. More cryptocurrencies have emerged since then.
2010-2018	-	Recovery from the great recession. -
December 2019		the Pandemic – COVID-19
December 2020		QUESTIONS:

One-fifth of the 21st century is behind us and why is Africa nations so focused on macroeconomic-based money and banking (borrow and spend) as a major tool of economic development? What about microeconomic-based institutions that were conspicuous in the history of advanced countries? From the days of Henry George (the value of land, 1870); Simon Newcomb, (Psychological forces behind changes in velocity and transactions, 1885); Thorstein Veblen, (Habits of Thoughts and Actions,1899); to the days of Coase R.; Buchanan, J. & Tullock, G.; Olsen, M. (1960s, political economy)—public choice in housing, in education, in child development, in nutrition, and public choice in transportation? Would that be the difference between developed and underdeveloped nations? Apparently, African nations only embraced the institutions of their time (money & banking) and ignored all the pre-existing microeconomic institutions before they became nations.

Is political economy (Public Choice) a prerequisite for market economy? Is the world poised for a new economic regime, and how are African nations prepared?

REFEREMCES

Barber, W. ((1976). *A History of Economic Thought.* Middletown: Wesleyan University Press.

Staley, C. (1989). *A History of Economic Thought: From Aristotle to Arrow*. Cambridge, MA and Oxford, U.K: Blackwell

MORE HISTORICAL FACTS ABOUT AFRICA WILL BE ADDED. .