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Comparative Economic Development of São Tomé and Santiago de Cabo Verde: Lessons from the 16th Century

The islands discovered by Portugal in the 15th and 16th Centuries had to be made economically productive in order to cover the cost of their discovery and occupation, and to support in general the Portuguese overseas voyages. Some of these islands, like Madéira or the Azores, were naturally productive; others, like Santiago in the Cape Verde Islands and São Tomé, needed a great deal of effort and investment if they were to be worth the trouble and expense of ruling them, and if they were to contribute to the wealth of Portugal. This paper compares the development of the two latter islands, one a tropical and fertile land which required huge amounts of labor to become economically valuable; the second a semi-desert whose development and economic worth was based largely on its location and on a modest attempt to produce items for passing ships. Both had to confront the fact of having no native population, and how to overcome this central disadvantage. It discusses the various schemes and plans to make the two islands valuable for the Portuguese Crown, especially in regards to an adequate labor supply. It notes how location, as well as ecology, effectively determine the ability of outsiders to make islands, especially, economically viable. Finally, it concludes with some comparative views on the applicability of these islands' histories to present-day possibilities of economic development for equally small islands that generally lack a large natural resource base.

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A key issue in the contemporary study of islands is the question of economic development: how can one develop islands that are small, have low populations, lack most conventional natural resources, and are often too far off the world's trade routes to be either economical to trade with or accessible for visitors? However, these issues are not new to the 21st Century. In fact, they were among the very first issues that Europeans had to face as they began their voyages of exploration nearly six centuries ago.

While these voyages had many motives and many goals, losing money was not one of them; royal governments subsidized the voyages reluctantly, and expected their investment to be paid back literally with interest. And, since the first lands reached were islands, viz., Madéira, the Canaries, the Azores, the Cape Verdes and the islands of the Gulf of Guinea, it was island economic development that most concerned the governments involved.

This paper looks at two of these newly-found islands, describing how Portugal attempted to make the islands economically viable in order to repay the costs of finding and settling them. It will suggest how some of those strategies, now a half-millennium in the past, may hold lessons about islands' development today.

The two islands are Santiago, in the Cape Verdes, and São Tomé, in the Gulf of Guinea. They were not the first Atlantic islands found by the Portuguese (Soeiro de Brito, 28); the Canaries had been reached and explored in the late 1200s, Madéira was discovered about 1420, and the islands of the Azores had been found, one by one, beginning in the 1430s; the discovery of the last of the latter group was nearly simultaneous with the discovery of the Cape Verdes and São Tomé, all occurring the decade or so after 1460 (Duncan, ch. 2, *passim*). But what makes Santiago and São Tomé interesting is that, while neither was inhabited (which was also true of Madéira and the Azores), neither had the economic advantages of these other newly-found islands (Soeiro de Brito, 74). Madéira was a lush sub-tropical island, well-watered and wooded, with good soils (though a broken and elevated topography); the Azores were well-situated to support fishing and whaling as well as provide a decent agricultural base to eventual settlers (Barata, 926-27).

Santiago and São Tomé, however, presented different and more difficult situations. The former, like all of the Cape Verdes, was arid, nearly a semi-desert (Duncan, 158). Soils were thin, rainfall inadequate and harbors few. São Tomé was a tropical, volcanic island with plentiful rainfall and deep volcanic soils (Tenreiro, 45-49). But the island was so rugged and so totally lacking in natural anchorages that clearing the land and importing or exporting anything was a monumental undertaking. In addition, neither island had a native population; since economic development required labor as well as natural or introduced resources, it meant that the acquisition and acculturation of labor would be an added cost that would offset any profit that the islands might provide.

Given the problems, why did the Portuguese Crown make the difficult and expensive attempt to develop Santiago and São Tomé? The answer is three-fold: first, the islands were on the prized sea-route to Asia (and later, to America); their development could

support that all-important endeavor by providing a place where ships could call for repairs, supplies or protection (Duncan, 166-7). Second, developing the islands could provide cash income for the Crown, which had undertaken a vast operation with few resources. Portugal was one of the smaller, less-populous and poorer of Europe's kingdoms; the voyages of discovery had to pay off, sooner rather than later, if the "Enterprise of Asia" was to continue. Finally, Portugal knew that if she did not occupy and develop these islands, someone else most certainly would. That someone was Castile (not yet "Spain"), with whom Portugal had already been at war for nearly a century over its own independence, over inheritance of the various Iberian crowns, and - most relevantly - over ownership of the Canary Islands. For all these reasons, therefore, Portugal saw the settlement and development of the Atlantic islands as a national imperative.

The Cape Verdes were the least attractive islands of the Atlantic. Of the fifteen major islands, a dozen were simply too dry to support more than the barest human population and all the islands were uninhabited when the Portuguese found them (Barata, 929; Santos Pereira, 962-3). Of the remainder, only little Fogo had anything approaching fertile soil, and it was the rugged remnant of an extinct volcano (Duncan, 180). The rest had only scrub vegetation and none had a really suitable harbor (Ameal, 91). By default, Santiago, the largest of the Cape Verdes, with marginal soil and an equally marginal port, Ribéira Grande, became the focus of Portuguese efforts in the archipelago (Duncan, 168, 172-5).

But how could Santiago make money for the Crown? The answer was soon seen to be that old cliché about real estate: "location, location, location." Because of its position vis-a-vis the Atlantic winds, vis-a-vis the African coast about 100 miles away, and its shallow, open, but wind-shielded harbor, Santiago could become both a relief station for ships going to and/or from India and for ships carrying slaves from Africa to the West Indies (Soeiro de Brito, 82-3). Further, while crops on the island would be barely adequate to feed the local population, the scrub grasses could support goats and some cattle, whose meat, skins and hair would feed passing ships and provide a modest local product for external sale (Duncan, 168-71; Santos Pereira, 966-7).

In addition, the Portuguese introduced crops such as wheat, rice, grapes, figs, and melons. All of these grew only marginally well. In both quality and quantity, the crops could not profitably be shipped back to Portugal; passing ships were the only possible market, besides the minimal needs of the local, introduced population (Duncan, 172-3). That Santiago even had a population was unusual. The rest of the islands in the Cape Verde archipelago had only imported goats living on them until the mid-16th Century (Soeiro de Brito, 29, 72-3).

Even this modest level of development would require labor, and the nearby coast was its source. Control of the island had been vested in two *Donitários* or grantees, who undertook development of the island on behalf of the Crown, which took a risk-free share of any profits (Soeiro de Brito, 76-80). The use of Donitarios to administer and develop new lands harks back to the feudal practice of giving newly-won lands to royal favorites to reward supporters without burdening the royal treasury, as well

as having an experienced (or at least demonstrably-violent) and loyal subject take on the cost and burden of control and wealth-extraction, from which the Crown would get a large share.

The roots of this were feudal and medieval, but the system is perfectly analogous to modern practices, variously called “franchising,” “outsourcing,” or “privatization.” The receiver of the royal (or, today, corporate) bounty got the opportunity to become rich, while the grantor - royal or corporate - was saved the burdens and cost of actually running a newly-acquired property but still stood to make a substantial sum if the enterprise succeeded; if it failed, the Crown or company lost little.

Each Santiagan Donitario ruled half the island, the Crown covering its bets in case one Donitario or one part of the island proved to be too incapable of effective development. Each was authorized to import labor from the near-by mainland (Duncan, ch. 9, *passim*). Relatively speaking, not a lot of labor would be needed, since the economic capabilities of the island were so limited. Unlike São Tomé, most of the slaves on Santiago were intended for export instead of for labor on the island itself. Herding and household service, not field labor on plantations, was the lot of Santiagan slaves who were kept on the island. But the very lack of huge slave numbers betrayed Santiago’s developmental limits; little labor was needed because little profitable economic activity could be expected (Barata, 928-9).

Still, the introduction of livestock proved to be a two-edged sword. Goats and cattle provided meat and hides for ships and local inhabitants. They also virtually destroyed the marginal soil with their constant grazing. Like sugar on São Tomé, introduced animals proved to be a short-term and literally wasting asset on an island that nature had essentially designed to be left alone by humans.

Physically, São Tomé was in every way different from, and better off than, Santiago. The landscape was lush and fertile, rain almost too-plentiful, and while a true harbor was lacking, the shallow Bay of Ána de Cháves could be used as a port by lightering cargo to and from ships in shallow-draft barges.

But like Santiago, the central problem restricting development was lack of labor, and as with Santiago, slaves from the nearby African mainland were quickly introduced; the first record of slave importation on São Tomé dates from the late 1490s. Unlike Santiago, however, Portugal had recourse to other labor sources for São Tomé. By emptying Lisbon’s jails, sweeping prostitutes and petty criminals off Lisbon’s streets, and by seizing and forcibly converting the children of refugee Castilian Jews, the Portuguese Crown gave São Tomé a much larger early labor supply, as well as a culturally more varied population out of which a new society and economic development would be created. Like Santiago, São Tomé also was granted to a Donitário, who would be responsible for the island’s settlement and economic development (Tenreiro, 57-66).

But what could São Tomé produce that would give its Donitário, and the King, a satisfactory income? Wheat was tried, since bread could be sold to passing ships going to or from India. That failed, as wheat did not thrive in the climate, while the nature of the local winds made it better for ships to bypass the island. Grapevines

were tried, but the yield was small and the wine of low quality. By about 1520, some thirty years after settlement and fifty years after discovery, São Tomé still had at best a marginal value to Portugal and to its Donitário. It was, in a sense, a very lush Santiago.

Then, about 1520, plantations were established in the West Indies. With the near-extermination of native American Indian populations, labor on these plantations was desperately needed; in effect, there was an energy shortage, since human muscle, supplemented where possible by animal power, was the major source of energy for economic development anywhere in the world before the Industrial Revolution. It turned out that São Tomé was ideally situated to supply this need. While winds for India-bound ships were problematic near the island, they were ideal for voyages to the African coast where slaves could readily be bought. The winds were also ideal for ships sailing westward from São Tomé to the West Indies and, later, to Brazil, where the demands for slave labor were constant and growing.

As utterly abhorrent as it is to modern sensibilities, slave labor was, in reality, the petroleum of the 16th Century Atlantic. Any place that could provide it or, like São Tomé, organize and expedite its supply, would prosper immensely, and the island did. Since it did not export many of its own slaves, those being needed for its own plantations, São Tomé more resembled a modern Singapore or Bahrain rather than a Kuwait; it was the middleman/fixer/aggregator of a key international commodity, the demand for which was seemingly inexhaustible.

But São Tomé had another source of economic potential. Its equatorial climate and deep volcanic soils (at least in the northern third of the island where the ground was flat, even if covered in rainforest) were found to be ideal for growing sugar. In those centuries, sugar was of immense value with a limitless European market; Madéira's early prosperity was due to the crop. But São Tomé, with a more suitable climate and topography and barely 100 miles from its "energy source," the slave marts of the African mainland, soon far surpassed Madéiran sugar production and indeed effectively killed it by the 1530s. By the 1560s, São Tomé was the greatest supplier of sugar in the world, the wealth of the island enormous, and the plantation owners rich men.

It did not take very long for the Portuguese Crown to see how this was going. As early as 1524, it abolished the São Tomé donitória and took over direct control of the island through a royal governor. In contemporary terms, the franchise was revoked, the middleman eliminated, and corporate headquarters decided to increase its profits and its control by running the business itself. For nearly a century, until eclipsed by the far greater sugar output of Brazil, São Tomé prospered (Tenreiro, 67-74).

What did not happen, however, was reinvestment of profit for the purpose of continued economic growth. Sugar was the capital-generator of 16th Century São Tomé, and when its market was lost to Brazil, there was nothing to take its place as a resource or as a source of capital. Indeed, in an early example of capital-flight, those who still had money, either from sugar or the slave trade, decamped to Brazil, leaving the island bereft of wealth, talent or entrepreneurs. Even the gruesome slave

trade began to bypass São Tomé, as former islanders in Brazil used their local knowledge to import slaves directly from the African mainland, cutting the island out of the process completely. As with Santiago, São Tomé's marginality and precarious existence as a disposable middleman eventually caught up with it, leaving economic ruin and social stagnation in its wake.

What lessons might be learned by modern-day islands seeking economic development from the history of Santiago and São Tomé? First, it must be recognized that islands, by their very nature, are generally marginal to the world economy, unless like São Tomé, temporarily, in the 16th Century, they naturally have or can produce a commodity that is vital to world trade.

Second, location is important, perhaps crucial. Santiago enjoyed what small prosperity it had, indeed was only settled at all, because its location made it idea for trans-Atlantic and Europe-India trade. It was, in a sense, the Singapore of the 16th Century Atlantic. Like Singapore, Santiago did try to be more than just an entrepot, and to develop local products with off-island market potential. But this effort failed, defeated not by the island's location but by its ecology, for which the 16th Century had no technological fix.

Third, small islands are utterly dependent on political and economic decisions made elsewhere, decisions that are made with the needs and interest of the islands and their populations as a secondary or even tertiary consideration. The Portuguese Crown put time, effort and money into Santiago and São Tomé as long as the prospect of profit existed. When it became clear that no such prospect really existed (in the case of Santiago) or had run its course (in the case of São Tomé), the external controlling power effectively abandoned the islands and left their inhabitants to their own devices.

Ultimately, it is the fate of small islands to live and die by and for the needs and whims of others. Changing technologies of transportation and communication, changing markets and consumer tastes, or new products or alternate availability of old ones, all can leave even the most seemingly-prosperous of small islands dangerously vulnerable to economic marginalization and disaster. The fates of Santiago and São Tomé are not pleasant to behold, and the lessons they teach may be depressing, but they are examples worth studying for those trying to sustain and develop small islands in our own day, nearly 400 years after the histories of Santiago and São Tomé reached their sad conclusion.

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