

## **The role of joint stock companies during the phylloxera and rinderpest epidemics in the Cape Colony, 1892-1902**

**Abstract:** This paper shows that there was a strong correlation between environmental crisis and the proliferation of farmers in the Cape capital market. It proposes that shares in joint stock companies were a means by which farmers cushioned themselves from the 1886 phylloxera, and 1896 rinderpest epidemics. The years leading to these outbreaks were crucial in the development of capitalism in the colony. Not only was this the period of rapid mineral exploration, but also the decade when limited liability was made accessible to all commercial activities in the colony. This improved business relations as loss in partnerships became limited to the amount of capital each member contributed towards the joint venture. The outcome was the rapid formation of joint stock companies engaged in various sectors of the economy and the expansion of the capital market. A striking feature about these developments was that farmers, unlike other investors who invested indiscriminately, mostly financed agricultural companies and financial organisations. Potential explanations for this are that agricultural companies assisted them where the government had failed, and financial organisations were a safer option to store wealth amidst production crises. This study, therefore, seeks to contribute to existing literature on how farmers privately responded to livestock and crop diseases.

**Keyword:** Farmers, joint-stock companies, phylloxera, rinderpest, capital market.