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Editorial

In this issue our authors do not address a single theme; rather they pursue four issues that are central to our interests in the Review; the analysis of women and the reproduction of labour in Africa; the development of capitalism in agriculture; the place of Africa in the global division of labour and resources; and the character of the post-colonial state.

To say that the women's question is a central interest is hardly borne out by our previous record. Attempts to obtain a special Number made up of articles combining feminist and Marxist perspectives on Africa have proved fruitless. On the other hand, the absence of a whole set of high quality articles on women is no reason to hold up the publication of those we do receive. In our last issue we carried an important and far-reaching analysis of female labour in a major agricultural production and resettlement scheme in Upper Volta. In the present issue, Deborah Bryceson's article contains both a theoretical analysis of the process of female proletarianisation from pre-capitalist to capitalist social formations on the periphery, and an account of the emergence of female wage labour in Tanzania. With respect to the first, she argues that while proletarianisation can objectively free women from male control, in practice, women may continue to experience male domination in matters like at what stage of her life she can start work, what she does with her wage and in the expectation that her paid labour should be additional to 'domestic' work like housework, cooking and childcare. Even the fact that women engage in wage labour does not mean that they will have a decisive say in matters of fertility and sexuality. Finally, though this is not quite as clearly established in Bryceson’s theoretical argument, insofar as the proletarianisation of women remains incomplete, they have to continue to play a role in food production, which acts both as a wage supplement and as a means for lowering the wages of female and male workers alike. In the case of Tanzania, the male/female ratio in the urban areas has gradually equalised, while the percentage of women in formally-defined employment, though still low, has also increased. These women often have to work in conditions of sexual discrimination and with low pay — so low that the 'freedom' to work has to be paid for by the sale of their sexuality in addition to their labour power. What forms of struggle are possible in these conditions? A great deal of work remains to be done at the level of ideology, in the analysis, that is to say, of the contradictions and congruences between gender and class consciousness. The editors of this Review invite further contributions on this theme.
A second article pursues other themes that were brought up in the article by Anna Conti and others in our last Number. That Special Issue on 'The Roots of Famine' traced various effects of the intrusion of capitalist relationships in its several forms into African agriculture, including some of the recent major, capital-intensive 'schemes'. Tina Wallace's article in this Number provides further evidence, from Nigeria, of how such projects impoverish smaller peasants. Her particular contribution is to show how such schemes do, both directly 'on scheme' and indirectly over a wide, affected, surrounding area, transform property relations, the holding and use of land, towards capitalist forms.

Werner Biemann undertakes an analysis of the third issue we identified, by examining the place of southern Africa in the global system of capitalism dominated by the US. His article predates the full unfolding of three crucial events — all of which may modify the inferences he drew from observed trends. First, the Soviet Union's entry into Afghanistan might suggest, that at least in some areas, the level of accommodation by the Soviet ruling class to the US system of global containment is less than Biemann adduces. On the other hand, the long-run dependence of the Soviet Union on foodstuffs and technology imported from the West, as well as the fact that US protests have remained only at a diplomatic and sporting level, may lead one to concur with Biemann's view that the Soviet Union has basically been incorporated into the global system he describes. Second, Biemann advances the controversial view that South Africa's strategic and industrial position is much weaker than is often thought, and that its long-term future is bound to be caught up with the development of a regional consumer market more firmly under metropolitan control. How far can this judgement stand in the light of the massive reserves South Africa has generated due to the boom in the price of gold and the accelerating build-up in its defensive capacity? Third, the electoral victory of Mugabe's party in Zimbabwe has rightly been hailed as a major triumph for popular and democratic forces in the area. Will the support Mugabe obtained raise anew the possibilities of a socialist transformation, or is Biemann right in pointing to the overarching structural constraints to such a path? As an exercise in left-wing futurology, Biemann's analysis suffers from a global determinism which leaves unclear the role of local revolutionary forces and classes. Unfortunately this tendency to concentrate predominantly, even exclusively, on the position of southern Africa within the global capitalist system is all too common — particularly in the influential work of 'world system' theorists like Immanuel Wallerstein. However, Biemann's provocative and hard-headed comments cannot but stimulate debate.

The final theme of Review 17, concerns the post-colonial state, more precisely the ruling and industrial 'bourgeoisie' in such states. Higgott's article provides a straightforward account of the political economy of Niger, a country that has barely engaged the attention of radical and bourgeois observers alike. Higgott asks whether the debates on dependency are relevant to Niger and he carefully estimates the range of manoeuvre of its ruling class. The discussion on the Kenyan state in our Debates section is more complex and unusually extensive. We welcome these contributions, because the editors have always seen the Review as an arena for argument about pressing political issues, not simply another outlet for academic articles. The essence of the Kenyan debate concerns whether there is, or is not a 'national bourgeoisie' in Kenya. Advocates of the positive case include Michael Cowen (whose work is not represented here) and Colin Leys, who here, and in a recent article in Socialist Register 1979, advance
the propositions that there is a substantial level of accumulation and that much of this involves mobilisation among the bourgeoisie, which must thus be treated as a national class. This view would have important implications for class struggle. The first is a tendency on the part of these authors to see Kenya in a more positive light than some African countries like Tanzania, with a ‘socialist’ rhetoric and an inefficient bureaucratic practice, for at least in Kenya the productive forces are being established — the ‘implied Menshevism’ from which Colin Leys only partially succeeds in dissociating himself in his *Socialist Register* article.

A second and equally questionable implication is that the major contradiction moves from the level of an anti-imperialist struggle (in which the bourgeoisie may operate as a temporary ally), to the level of an internal battle of class forces in which the bourgeoisie is the principal enemy. Correspondingly, the site of class struggle must shift away from the state and more and more towards the points of production and distribution within Kenya. On the other hand, if the extent of class formation and hegemony by the bourgeoisie is overstated (as Kaplinsky says these authors do), a political challenge mounted by anti-bourgeois elements will first be premature, and second, to paraphrase Mao, resemble blind men chasing sparrows — the sparrows safely nesting a long way from Nairobi. We are boldly stating the contrasting political strategies here, not least because they have not yet been fully elaborated by the principal debaters. That we can pose them at all, however, means that the terrain of argument has become somewhat distinct from an earlier controversy about the extent, nature and limits to industrialisation in peripheral capitalist societies. The antecedent question was first decisively addressed by the late Bill Warren, one of our founding Contributing Editors, whose challenging article in *New Left Review*, No.81, is again cited by our rival debaters. Bill ended his association with the *Review* because he saw us drifting into an advocacy of some of the more simple-minded versions of dependency theory. In fact no such editorial coherence was intended or even possible, then as now. And clearly too, the positions on either side have become that much more sophisticated in the intervening period since Bill’s article. Many so-called dependency theorists do not exclude the possibility of dependent forms of industrialisation, though they tend to concede rather less when the growth of a local entrepreneurial class is discussed. On the other hand, few writers who are interested in capitalist industrialisation on the periphery, would not wish to take account of the international constraints on the level of industrialisation, the limits to capital accumulation and the degree of freedom a local bourgeoisie will have in its dealings with agents and firms representing the global capitalist system. Kaplinsky’s contribution, with detailed supporting statistical evidence, still insists on the weakness of Kenya’s bourgeoisie, the limited gains made in her economy and its vulnerability to outside forces. The picture he provides of the workings of Kenya’s business and industry adds to what is probably by now the fullest picture we have for any African country. Unfortunately he attributes hypotheses to his opponents, in particular Colin Leys, that were not advanced in that specific form and were instead inferred by Kaplinsky. Leys and Henley both upbraid Kaplinsky for this, and further sharpen the conceptual issues. For Leys, this includes the question of how we move from dependency theory to an understanding of the peripheral state as a register of the balance of class forces, notably in this context, the force that the indigenous bourgeoisie can bring to bear on the organisation and policy of the state. But beyond this question, are others concerning the organisation and policies of the subordinate classes. *That* debate has still to be joined.
The Proletarianization of Women in Tanzania

Deborah Fahy Bryceson

Roughly 87% of all Tanzanian women live in the countryside. The bulk of Tanzania women's economic activity, therefore, is related to peasant agricultural production and domestic rural household reproduction. Tanzanian women's position has not however, remained static over time. Peasant women have experienced and have themselves acted to effect profound changes in the nature of rural production and reproduction. One consequence of these changes has been a slow but pronounced process of proletarianization.

In this article, it is argued that Tanzania peasant women have increasingly become directly involved in the process of proletarianization. Moreover, female proletarianization has taken a voluntary form which represents a significant step in Tanzanian women's struggles. The first section of this paper elaborates some key concepts in an attempt to construct schematically the theoretical context for section two analysis of Tanzanian women's proletarianization.

PROCESSES OF SOCIAL DEVELOPMENT

Production and Reproduction

The term 'proletarianization' refers to the producers' complete separation from all property which they could use for their material and social reproduction. Dispossessed, the producers are compelled to exchange their labour power for wages. In other words, labour power becomes a commodity. Ironically, although wage workers represent 'free' labour, they no longer have the option of refraining from wage work. By selling their labour to capital, capital gains ownership and control of wage labour for the purpose of extracting surplus value in the form of profit.

Female proletarianization seems to take a form which defies the definition of proletarianization in its strict sense. Female proletarians have not undergone a process of separation or dispossession from the means of production because women never held possession nor control of the means of production as precapitalist producers and peasants. Like their male counterparts, female proletarians are separated from ownership and control of the capitalist means of production, but obviously they have arrived in this state through a different conditional path from that of men. Thus, the nature of female proletarianization is enigmatic, posing many theoretical questions with far-reaching practical implications. Perhaps the most straightforward way to explore the nature of
female proletarianization is to discern the most salient features of the position of proletarianized women as opposed to the position of female peasants.

Before doing so, however, it is imperative to clarify a key concept: the ‘mode of human reproduction’. Consideration of the position of women in any mode of production must be expanded to include, not only the ‘mode of production’ in its strict sense, i.e. the forces and relations of production, but also the ‘mode of human reproduction’. This concept has yet to be fully defined and integrated into the body of historical materialist theory. McDonough and Harrison have, however, taken a noteworthy step in this direction. They define the theoretical content of the ‘mode of human reproduction’ in the following way:

The social relations of human reproduction . . . are class specific relations. They comprise the form of control of the wife's labour in the family and also the form of control of the wife's sexual fidelity. Just as the labour process is always situated within a particular mode of production and its social relations, so is the procreative process. Historically, too, the procreative process has — like the labour process — been shaped by a relation of control, specifically in this instance by a relation of patriarchy. At marriage, the wife gives into the control of her husband both her labour power and her capacity to procreate in exchange for subsistence for a definite period, for life.

There are some problems with the above definition. Women's production in the home, commonly referred to as 'domestic labour', is after all, production — of the labour power of the family — and not a matter of the 'mode of human reproduction'. Although the content of women's domestic labour and the sexual division of labour in general arising in any particular mode of production is in fact the manifestation of the inter-relationship between the mode of production and mode of human reproduction. Furthermore, McDonough and Harrison's reference to women as 'wives' limits their analysis to those modes of production where sexual oppression is institutionalised in a particular way. The mode of human reproduction as a theoretical category must be posited at a level of abstraction, like that of the mode of production, which reflects the universal features of human existence, which take different historical forms. The features common to all modes of human reproduction are, more generally stated:

First, the man/woman (human) relationship to biological nature, giving rise to the forces of human reproduction. The forces of human reproduction represent man/woman's level of control of biological nature, i.e. the extent to which birth and mortality can and are regulated in any specific mode, which in turn effects the demographic configuration of the mode of production.

Secondly, the social relationship between men and women conditioned by human reproduction which give rise to relations of human reproduction. These refer to control and/or ownership of the forces of human reproduction, as well as access and control to sexual union (marital or extra-marital), procreation and children. To the degree that men exercise structural control over the above within any specific mode, women live in objective conditions of sexual oppression, although expressed in different forms in different classes. Whether individual men with whom women associate make full use of the control at their disposal or seek personal equality with women does not change these objective conditions, as long as the dynamic of the mode of production and its specific mode of human reproduction persist, unchallenged by collective struggle.

Thus our task of distinguishing between position of proletarianized women as opposed to the position of female peasants must be related to the mode of production as well as the mode of human reproduction.

The Process of Proletarianization

Within the capitalist mode of production, the notion of 'free labour' takes on new and very significant connotations, vis-à-vis proletarianized women. The
capitalist mode is based on a highly developed level of the forces of production. The means of production are owned by capitalists. The producing class work for wages, under the control of the capitalists. As workers represent 'free labour', this means a proletarianized woman can sell her labour power to any capitalist, whereas a pre-capitalist woman producer labours under a particular configuration of male power relationships over her, in the family. Female proletarians' 'freedom' is not merely a matter of deciding who they are going to work for, rather, it is premised on the objective fact that their labour power is exchangeable for a wage in the same manner as males' labour power. Structurally, the capitalist labour market is indifferent to the sex of the wage earner. Women exchange their labour power for a wage on the same basis as men. The sexual distinction comes in terms of the repercussions of the act of selling one's labour power on the family. Male wages belong to men. Female wages do not belong to men. Female wages can serve as an objective basis for female subsistence independent of familial male control.

Peasant women's labour, on the other hand, can be regarded as necessary for the social reproduction of family units and/or surplus-generating. As such there are advantages to be gained from control over women as a source of labour. But the same could be said for male labour. The question thus remains why men controlled female labour instead of the other way around.

Although it is usually misleading to generalize about pre-capitalist modes of production, we can say that in most, characterized by a low level of commodity production, female labour is almost always used within the family and not made available to the market. Generally, the family is both the unit of production and of human reproduction. This have very significant implications for the nature of female labour. Women's labour is restricted within the family household, in its content, scope and location. This is in marked contrast to the proletarianized women whose labour must be mobile, varying in content, scope and location to suit the demands of the capitalist labour market.

To explain the above distinction it is imperative to consider briefly pre-capitalist modes of human reproduction. Pre-capitalist female peasants' labour immobility is related to the strong assertion of male control over human reproduction. Pre-capitalist modes of human reproduction generally represent a fairly low level of control over mortality and birth. Women's child bearing is prolific relative to women in nuclear families under capitalism. The established paternity of children, as an expression of ownership vis-à-vis the extended family (clan or lineage) is important, since children are the primary means of expanding the family's labour capacity. Thus women's sexual fidelity to their designated mates is enforced by all their kin. Women are regulated by men with regard to their potentiality as child-bearers. This predisposes male control over female labour in the family in an indirect way. Women's potentiality as childbearers varies with age. As a female ascends into puberty, peak childbearing years and then experiences a descending potential to bear children, her physical and mental activity is very essentially dictated by her role as a childbearer. In other words, women are channelled into particular work that is conducive to their age specific role as childbearers.

It appears that with the development of the capitalist mode of human reproduction, women's role as childbearers is de-emphasized. More advanced human control over the incidence of birth and mortality contributes to women's
freedom from many successive pregnancies. So too, structurally, pressure on women to conceive and bear several children is lightened due to the fact that the site of production is no longer the family. Within the family, unlike under pre-capitalist modes of production, children do not usually become productive until late in their teens and then, of course, the wages they earn are structured to be their own and not their parents'. Far from being an economic asset, children, prior to joining the wage labour force, drain the proletarian family with the costs of their general upkeep and education.

The separation of capitalist production from human reproduction has had a profound impact on the history of the family during the last two centuries. The family, separated from production, seemed poised for a drastic transformation, so it is surprising to see the family today as the repository of ideology often identifiable with pre-capitalist modes of production. We must examine how this is possible.

Marx and Engels' writings expound the theory that capitalist production exerts dissolving effects on the family. They visualized the family's eventual destruction. Since production under capitalism, takes place outside the confines of the family unit, its survival is at the mercy of the wage level controlled by capital. Historically, in the process of extracting surplus value from wage labour, the capitalist mode of production's operation had no built-in structural safeguards guaranteeing the family's continuation as a unit of human reproduction, or even as a unit reproducing labour power, although it was indeed in capital's interest to ensure the latter. The logical implications of this inconsistency began to manifest themselves in reality. Marx noted that already during the early stages of the Industrial Revolution, female and child labour was exploited beyond a level which human reproduction within the family could withstand. Dwarfed and feeble human populations were appearing in particular English industrial localities.

This points to a profound contradiction, namely the assertion of the capitalist mode of production in the absence of any development of a complementary mode of human reproduction. The family existed as a vestige of the pre-capitalist mode of human reproduction. The dynamic of surplus value extraction began to pulverise the family as a mode of human reproduction. Ironically, it was the organized struggle of the proletariat themselves which acted to alleviate this internal contradiction within capitalism. The organized working class struggle to gain a 'family wage' in the face of capital's indirect and onslaught on the family was highly significant. To the extent that hired female labour was incremental (i.e. more than one family member involved in wage labour), it allowed capital to decrease wages overall, thereby lowering the working class standard of living to abysmal levels. The 'family wage' demanded was to be paid to the head of household to cover the maintenance costs of all other members of the family as non-wage earners. The rationale behind this was succinctly summarized in the following excerpt from an old English newspaper, the *Trades Newspaper*, of 11 October, 1825:

The labouring men of this country should return to the good old plan of subsisting their wives and children on the wages of their own labour and they should demand wages high enough for this purpose ... by doing this the capitalists will be obligated to give to men alone that which they now give to men, women and children ... I recommend my fellow labourers, in preference to every other means of limiting the number of those who work
for wages to prevent their wives and children from competing with them in the labour market and beating down the price of labour.

Eventually the 'family wage' struggle was resolved. Capitalists were forced to concede the family wage to workers because of the intensity of the workers' struggle, as well as the intervention of the capitalist state which was capable of rising above the profit motive of individual capitalists, being attuned to the requirements of the class as a whole. The working class owning no means of production, being totally dependent on wages, struggled collectively for its self-preservation.* In the process of capital conceding a 'family wage', workers secured human survival as individuals and as a class, which in turn preserved the working class as repository of labour power from which capital could extract surplus value. The net effect therefore was the preservation of the capitalist mode of production, by ensuring human reproduction under capitalism. The capitalist mode of human reproduction thus coalesced. The family came to embody capitalist human reproduction, while the factory embodied capitalist production.

In fact, the viability of capital was enhanced even further. The increased wage costs representing capitalist provisioning of human reproduction had the effect of spurring capitalist production to leap from absolute surplus value extraction, based on the more intensive use of labour, to relative surplus value extraction based on increasing labour productivity achieved through investment.

The position of women in the context of the 'family wage' must be examined. The 'family wage' instituted the wages as a male preserve. Women's labour was thus structured to be immobile, in the home. Women’s labour was channelled into domestic labour. Therefore the question that must be posed is: what constitutes capitalist domestic labour performed by women? As was mentioned previously, there has come to be a smaller infant childcare component to domestic labour because capitalist forces of human reproduction have served to considerably lessen pressure on women to bear children. Nevertheless, women as housewives often set themselves the task of using the modicum of means provided by their husband’s wages to lift their offspring out of the dregs of working class life. This has the effect ultimately of raising the value of the future generation’s labour power. Overall, however, it must be noted that domestic labour is considerably lightened; firstly, by the provisioning of services by the state in the fields of health, education, etc. and secondly, by the increasing commodification of housekeeping in such form as household appliances, laundromats, restaurants, semi-prepared foods. Within the capitalist mode of human reproduction, women and their sexuality and fertility, remain very much objects of control. Birth control technology is foisted on women by male researchers and medical doctors in the absence of informed female evaluation of its effects, while male birth control is far less frequent. A double standard permeates male/female relationships, whereby restricted access to sexual union for males is considered 'unnatural' whereas women are subject to strict enforcement of sexual fidelity to their husbands.

* This struggle for the family wage seems to be an echo of what Marx had in mind in Volume 1 of Capital when he wrote: "The maintenance and reproduction of the working-class is, and must ever be, a necessary condition to the reproduction of capital. But the capitalist may safely leave its fulfillment to the labourer's instincts of self-preservation and of propagation."
Limits are thus placed on female proletarianization. Women can be and are ‘fee labour’ vis-a-vis the capitalist labour market to the extent that they ‘abscond’ from capitalist relations of human reproduction. There are primarily three forms of absconding which represent different degrees to which husbands exercise control over their wives and various gradations of wife’s relationship to domestic labour:

(i) **Real subsumption to familial male control.** Women gain the consent of their husbands and male kin to work outside the home. Permission is often granted on the grounds of the family’s economic need, or that the children are in school. In certain cases, the wife may be so dutiful as to hand the wage over to her husband to control.

(ii) **Formal subsumption to familial male control.** Women enjoy a compromise relationship with their husbands and male kin. The male family members consciously accept women’s equality with men. They are supportive of women household members attaining wage employment. The element of compromise, however, arises in apportioning domestic labour within the household and the degree to which the men not only are willing, but actually do, assume traditional female roles like housework, cooking and childcare.

(iii) **Absence of real and formal subsumption to familial male control in a strict sense.** Women may extricate themselves from bringing relationships with men by rejecting marriage and/or rejecting female filial roles within their families. In this way they have consciously attained the ‘freedom’ enabling them to seek wage labour on the capitalist labour market. In many cases, however, upon becoming female heads of households women often find they do not have sufficient time to devote to domestic labour in their households. Very frequently they come to rely on the female labour of other members of the household, which ironically acts to restrict the entry of these females into the labour market.

The extent to which domestic labour is performed by women is symptomatic of an inherent contradiction that female proletarianization is problematic to the coherence of the capitalist mode of production and capitalist mode of human reproduction. On the one hand, female proletarianization, objectively, frees female labour from male control. On the other hand, familial male control over the conjugal union is very pronounced. Thus structural male control over females is only partial. These conditions obviously provide terrain for struggles between men and women over a redefinition of the relations of human reproduction. Women proletarians are the key to this struggle. As wage earners, they have an objective base upon which their struggle can be sustained. In the wider sense of class struggle, the degree to which women proletarians succeed in defying capitalist relations of human reproduction, contributes to the breakdown to the breakdown of the delicate articulation between the capitalist mode of production and mode of human reproduction, thereby challenging the capitalist system at a root level. So, too, in the process of defying capitalist relations of human reproduction, they contribute to the consciousness of the working class whole male leadership historically were willing to compromise about women to get concessions from capital; concessions which ultimately strengthened the viability of capital.

**Proletarianization in Tanzania**

In the process of female proletarianization in Tanzania women have struggled against pre-capitalist male control over their labour. This explains the volun-
tarism of female proletarianization and indicates why it takes place without dis-
possession of the means of production. For peasant women, proletarianization represents a vent or means of escape. They disengage themselves from the intricate web of pre-capitalist male control over their labour, and in doing so land them-
tselves in a positon compelling them to find jobs. The problem Tanzanian women face, however, is a lack of job opportunities. This is not surprising since the pro-
letarianization of Tanzanian women has taken place after the ‘family wage’ became an established fact in Europe, and reverberated with lasting impact throughout the capitalist world economy. Tanganyikan colonial state policies towards labour reflected this, as indeed, present day state policies are, at least insofar as they gave higher priority to male wage employment over than of females.

Secondly, proletarianized Tanzanian women have struggled against relations of human reproduction which are characteristic of both the capitalist and pre-
capitalist modes of human reproduction. The overt struggle has only recently begun and one sees less compromise on the part of men than forbearance on the part of women. But when finally women cannot tolerate the intensity of their sexual subordination any more, militant disassociation from formal male control and a rejection of marriage occurs. The position of proletarianized women in Tanzania is basic in the struggle over relations of human reproduction. The struggle is objectively premised on women’s independent sources of subsistence through wage labour. Hence it is the proletarianized women who can be in the forefront of the struggle and not their peasant sisters.

The Process of Primitive Accumulation
It would be misleading to refer to proletarianization without situating it within the wider context of primitive accumulation. Primitive accumulation was first described by Marx in *Capital*, Volume 1 as the process through which the embryonic capitalist mode of production arose and extended itself while dissolv-
ing the feudal mode of production. In Tanzania, and in other parts of the Third World, the process of primitive accumulation is distinct from its classical form. Primitive accumulation can no longer be characterized as a process by which a new embryonic mode of production asserts itself out of the feudal mode or for that matter any other pre-capitalist mode of production. The epoch of mono-
poly capital marked by the centralization of the means of production and expansion of capital to unprecedented levels has led to imperialist expansion. The process of primitive accumulation gains significance in relation to land en-
ccompassing the globe which hitherto had only marginal trading contact with capital. At this stage, primitive accumulation takes the new form of colonialism and later neo-colonialism.

Primitive accumulation becomes the confrontation between monopoly capital and pre-capitalist modes whose productive forces and relations of production do not approximate the conditions of existence and capital. Furthermore, coercive state power is an integral part of the colonial forms of primitive accumulation. In contrast, in the classical form of accumulation the dispossession of the means of production from the peasantry was the outcome of a spontaneous class struggle where in fact state sanctions were yet on the side of those being dispos-
sessed from the beginning of the process in the late 15th century to the 18th century.
Brief History of Primitive Accumulation in Tanzania
Classically, primitive accumulation was founded on the economic base of feudal handicraft and commodity production, whereas in Tanzania primitive accumulation was established on more backward productive forces and production relations. Commodity production, a necessary condition for the reproduction of capital, was present, but not on an extensive scale, and therefore it had to be nurtured by capital. Thus the first stage of primitive accumulation was the further development and transformation of commodity production. Proletarianization grew from the contradictions arising in the development of commodity production. It has only recently surfaced as an active process whereby rural producers are divorced from land as their fundamental means of production and reproduction.

The particular configuration of capital's penetration in Tanzania is attributable to the nature of capital at its imperialist stage. Capital did not destroy the existing pre-capitalist modes of production just for the sake of it. The dissolution of the pre-capitalist modes of production was rather a by-product of capital's expansion into East Africa for the acquisition of specific raw materials such as cotton, sisal, coffee and minerals. Imperialist rivalry in the late 19th century between France, Germany and England was resolved in favour of Germany. In 1890, the German colonial state established itself over 'German East Africa', an area with a very complex mosaic of pre-capitalist modes of production made up of over a hundred tribal social formations. The German imperialist presence had first been asserted in the sphere of trade, but the quality of raw materials required for German metropolitan production could not be controlled by German finance capital. The colonial state, on the other hand, could and did exercise such power. For seventy years, thirty under German colonial rule and forty subsequent years of British mandated control, the colonial state acted to dissolve whatever connections had existed between the pre-capitalist social formations and extinguish them as entities, in order to mould them into a peasant sector within a colonial formation. The colonial state did not act directly to expropriate the producers from the land. However, the development of peasant commodity production through state coercion, the continued operation of unequal exchange by merchant capital and the general assertion of the law of value over all peasant production, led to an ever diminishing proportion of subsistence accruing to the peasantry, and their decreasing capacity to reproduce their own labour power using the means of production at their disposal. In this manner, an absolute surplus population was created. It however took a latent form because the producers remained on the land, though many of them did not have access to sufficient means of production.

Meanwhile the German and later the British colonial state created other sections of commodity production to service capital's raw material requirements that could not be accommodated within the peasant sector. Notable amongst these were the mines and sisal plantations. These sectors required a wage labour force and therefore drew from the absolute surplus population languishing in the rural areas. The wage labour was exploited on the basis of absolute surplus value. Wages were set far below the costs of reproducing and replacing the labourer. In this way, the peasantry bore a sizeable amount of the costs of reproducing the labour power of these labourers. In effect the export of labour power from the peasant sector during colonialism was similar to the export of cash crops. Both existed under conditions of unequal exchange.
The extent of surplus that can be extracted by capital on the basis of unequal exchange with the peasant sector and the absolute surplus value exploitation in those sectors hiring wage labour is limited because the productive assets, i.e. the land and the labour, will degenerate over time under these conditions. As Legassick and Wolpe pointed out in No.7 of this Review, this became general worldwide beginning in the 1930s. It was particularly acute because as the productive forces were degenerating in the underdeveloped social formations they were improving in the developed capitalist metropoles, resulting in a widening gap in labour productivity between the two. Raw material prices for those commodities produced in the former necessarily fell. As Legassick and Wolpe explained:

What had initially been a source of colonial surplus-profits for world capitalism became a brake on world capital accumulation. Hence there has emerged a restructuring of the relations of raw materials production, with an increased concentration on synthetic materials, a major growth in organic composition and productivity of labour, and hence a tendency to situate/resituate such production in areas of advanced capitalist production.

Sisal production provides a very dramatic example of this phenomenon.

In Tanganyika, the colonial state's response to this tendency was not forthcoming until the 1950s when policy statements and programmes became obsessed with the development of labour productivity in agriculture. It is at this point that the extraction of relative surplus value from wage labour also becomes an issue, although it is not until after independence in 1961 that the drive for investment in manufacturing and processing industries based on a higher organic composition of capital picks up momentum. 'Family wage' legislation, a state measure to ensure labour productivity, had the effect of unleashing the large latent surplus population in the countryside. Pouring into the towns to seek jobs they became a floating surplus population. Meanwhile the effects of more capital intensive production led to a relative surplus population that further bolstered the ranks of the jobless. A process of proletarianization is thereby in full operation, taking the classical form of primitive accumulation.

WOMEN AND THE PERIODISATION OF TANZANIAN PROLETARIANIZATION

Pre-Proletarianization: The Colonial Labour Force & Its Requirements
The development of commodity production during colonialism took different forms. Peasant commodity production was the most predominant. However, mining and settler plantations' production of crops such as sisal and coffee, although less widespread, were important as well. By the end of German rule approximately 2,250,000 square acres of land had been alienated to German settlement. This figure stayed relatively unchanged throughout the British colonial period so that at independence only 1% of the total land area of the country was alienated for agricultural estates and plantations. Production of these establishments was generally very labour intensive, so what distinguished plantation production from peasant commodity production was not so much a higher level of technology, especially from 1900 to the 1950s, but rather the plantations' need for a hired labour force. The scale of production creating far more work than could be handled by family labour.

During the mercantilist period the process of proletarianization had not yet begun to create the conditions of existence of freed labour to supply the labour requirements of the plantations. The plantations existed in a sea of basically self-
sufficient peasant producers. Prior to German colonialism, Arab plantations had flourished on the coast, servicing the export and food requirements of merchant capital. These plantations were based on slave labour seized from the peasant communities of the hinterland. The slave labour was extremely cheap because the slave plantations never paid the full costs of reproduction of their slave labour force. Agricultural slaves had a high mortality rate of 22-30% annually, which meant that it was necessary to renew the complete labour force every four years.

In the face of international opinion and the German colonial state's need to undermine the local ruling order of Arab mercantilism, the continued direct utilization of slave labour was not feasible, although Chancellor Bismark himself expressed regret over this in 1895.

Slavery has lasted for thousands of years and in many cases it was not all that bad; hence it would not have done any harm if it had been allowed to continue for another ten or twenty years. (Bismark, *Die gesammelten Werke*, Berlin, 1926, p.433: quoted by von Freyhold).

The Characteristics of the Colonial Labour Force

The process of primitive accumulation differentially affected the various geographical and tribal areas in Tanganyika. This is reflected in the composition of the colonial labour force. The nature of the colonial labour force, which the colonial state created and maintained, was an expression of the articulation between the pre-capitalist modes of production and capital. The colonial labour force was not a capitalist working class completely dispossessed of its means of production and therefore forced to sell its labour power, but rather labourers forced temporarily to sell their labour power to capital on the basis of unequal exchange as a result of contradictions arising in the process of primitive accumulation. Cheap labour of young migrant men characterized the colonial labour force. The question that must be asked is of course why men were the bulk of the labour force and what meaning this had in respect to the sexual division of labour.

The desire on the part of plantation capital and the colonial state to create and maintain a cheap labour force bore a very close resemblance to the slave plantation system in the sense that labour was extracted from the peasantry and not paid the full costs of its reproduction and replacement. Young men were recruited and contracted to work for periods rarely exceeding two years. Many men were known to engage themselves in two or even three contracts, returning home during intervening periods. In this way the vigour and strength of thousands of young men was expended in mines and plantations, yet their wages did not cover the costs of their wives, children, old age or occupational diseases. Nevertheless they were compelled to sell their labour to obtain cash for taxes as well as other monetary expenses arising from the penetration of the case economy. More often than not the young men were recruited from remote areas which had no access to markets or were otherwise unsuitable for cash crop production. Although colonialists complained of the great difficulty involved in persuading peasants in areas proximate to their mines and estates to sell their labour, it was nonetheless recognized that these peasants would be even more unstable in attendance at work than those recruited from further afield.

The labour recruitment of young women and their removal from their home
areas in large numbers would have disrupted the reproduction of the peasant sector thereby jeopardizing the supply of migrant labour as well as peasant commodity production in general. Young women as agricultural producers and childbearers were pivotal to peasant reproduction. In any case labour contract employment of young women, prone to pregnancy, would not have suited profit oriented mine and estate owners who already complained about poor labour productivity and absenteeism. It is true that since the initiation of the 'family wage' in Europe, the precedent in capitalist production had already been established for wage labour to be primarily male, but it would be wrong to view the predominance of males in the colonial labour force as the decision of capital. Capital's penetration of the pre-capitalist modes of production confronted a traditional sexual division of labour which generally tended to confine women's productive activities within the sphere of the lineage and family. Men were the warriors, traders and messengers. With the imposition of colonial rule, these men with inter-tribal mobility represented the matrix of the old order and they were the first to be 'dispossessed' not in the sense of expropriation of their land but rather the expropriation of their function as the colonial state dissolved interlinkages between tribes in its bid to articulate each and every tribal social formation exclusively to itself. To the degree that those who were dispossessed of their function failed to be absorbed completely in peasant production in their respective tribal areas they operated as a floating surplus population.

The Ngoni, to cite one example, were descendents of Zulu's who had become militarized in struggles among various groups in South Africa. They had migrated North assimilating captive peoples as they went, reaching Songea around 1840. The young men engaged only intermittently in agricultural activity and were primarily warriors collecting tribute and booty which provided the basis for the reproduction of the Ngoni social formation. The imposition of German colonial rule blocked their established manner of existence causing deep Ngoni resentment. In 1905 the Ngoni threw themselves wholeheartedly into intertribal peasant resistance against the German colonial state. The Germans retaliated ruthlessly causing devastation and famine amongst the Ngoni who were subsequently initiated into the pattern of labour migration when 1,500 war captives were forced to labour on German plantations. By 1924 one quarter of all Ngoni adult males were absent from their villages. Thus the young male Ngoni warriors were superceded by male labour migrants, again vital to the reproduction of Ngoni society but at a drastically impoverished level.

Similarly young Nyamwezi and Sukuma men had performed the bulk of ivory porterage during the Arab mercantilist period, having been in the habit of making two or more trips carrying ivory to the coast during their lifetime. During the colonial period they were the foremost labour migrants until cotton production in their home areas became the preferred means of obtaining cash. Traditionally young men performed labour service for their fathers to generate wealth for the payment of the brideprice. The growth of commodity production and the effects of the cash nexus permeating traditional obligations was instrumental in propelling many young men to labour migration as an alternative means of accumulating wealth for brideprice. Gulliver documented the fact that in the 1950s young Nyakyusa men had to accumulate at least four cattle as well as Sh. 100/= cash payment for brideprice: 'The young men whose cash needs are greatest of all Nyakyusa are those whose income-earning potential at home is least'. Being unmarried they had no wife to help them in the fields. They usually
did not even have their own field, especially in those areas where an acute shortage of land existed. More often than not they were forced to work in their father's field, depending on their father's discretion for their share of the surplus. Even if they were able to attain land and plant a coffee plot, they would have to wait four years for the trees to bear. It was for these reasons that young Nyakyusa men sought work in the distant mines of Rhodesia and South Africa where they were willing to do the more dangerous underground work for higher pay.

The Impact of Male Labour Migration on Women and in the Home Areas

Hardly any official attention was paid to the effects of labour migration on the labour supply areas of the peasantry until the 1950s when colonial authorities became concerned that labour migration was leading to disruptions in peasant family life and was a source of marital instability. Gulliver, the government sociologist, attempted to apologize for the system in his study of the Ngoni:

One of the most common objectives to labour migration which is made both by Government officials and by missionaries is that it leads to severe hardships for the wife and children who are left at home by the labourer. It may be clear however that a Ngoni wife is less dependent on her husband than her European counterpart, and, she is able with relatively little difficulty to maintain the food supply of her home in his temporary absence. She is able to continue her relations and mutual assistance with her feminine kin and neighbours and, by the nature of the economy, and low demand, she and her children can comfortably continue with little or no money income. She may suffer from a break in normal married, sexual relationships, but even this should not be over-emphasised for it is the custom that a man and wife do not cohabit for two or more years after a baby is born. If the man is away during that period (as many young husbands are) no special hardship is experienced.

Native Authorities who were the embodiment of the colonial state's policy of indirect rule were forced to adopt a more realistic view of the implications of labour migration. They were constituted by the colonial state for the purpose of revenue collection and ensuring some semblance of traditional tribal order. In actual fact, the Native Authorities ensured the reproduction of the peasantry as a base for commodity production, and in the case of labour migration areas the Native Authorities acted to ensure the export of labour power as a commodity. While the Native Authorities recognized, on the one hand, that without labour migration tax collection would be impossible in their areas, on the other hand they understood that the marital instability caused by labour migration was a threat to the maintenance of the lineage organisation. Thus we find Native Authorities addressing the problem much earlier than the higher echelons of the colonial state. For example, in 1931, the Makonde Council in Newala ruled that: 'Any man found guilty of enticing, or seducing or stealing a married women while her husband is away seeking his tax may suffer imprisonment not exceeding three months (with hard labour) in addition to the customary adultery damages'.

Traditionally, the marriage union was constantly reinforced by the social pressure of the extended family. Labour migration disrupted this. The man, removed from his extended family, was freed from their approbation, the woman was not. She remained with additional pressures on her to conform as a faithful wife. The problem of deserted wives, however, could not be ignored. Gulliver admitted this:

... since a substantial number of wives are deserted for long periods or permanently (and without economic assistance from the absent men), and because both adultery and divorce have been increased to some extent by such desertion and with a concomitant reduction of
moral standards, we must say that labour migration has a deleterious effect on marriage and family life and the well-being of some women and children.

The problem of desertion was dealt with again at the tribal level. Increasingly desertion became a grounds for divorce in native courts. Ngoni courts generally ruled that a man's absence for three years was adequate grounds for his wife to divorce him whereas, Nyakyusa courts stipulated only 18 months.

The Designation of Female Work in the Colonial Labour Force

Women did participate in the colonial labour force to a limited extent. Even in the migrant labour force they were not entirely unknown. Orde-Browne, the Labour Advisor to the Secretary of State for the Colonies, recorded that the Makonde, who were migrating from Mozambique to work on coastal sisal plantations in Tanganyika, were ‘frequently accompanied by their wives and families and the unusual tribal custom exists of the women working for wages as well as the men’. There was little official attention or even recognition of the existence of women in the labour force prior to the 1930s. The subject came to the fore, however, at the insistence of the Secretary of State for the Colonies who was concerned with British colonial adherence to an International Labour Organisation convention concerning restrictions on women's employment during night hours. In Tanganyika, the official response smugly considered this convention superfluous:

The application of this Convention to Tanganyika is not considered to be required by local conditions at the present time... it is contrary to native custom and to general practice for native women to be employed at all except on the transportation of domestic necessities and in employment in agricultural pursuits on tribal or on individual native lands... The native woman at her present stage of mental development is totally unsuitable for partaking in any industrial undertaking involving mechanical knowledge and will be so for a considerable time in the future.

However, colonial officials subsequently discovered that it was a noticeable though not predominate practice for white settlers to employ local peasant women on their farms and estates for peak season sorting and minor processing work on harvested crops. In 1938, when the Secretary of State’s pressure finally culminated in protective legislation banning women’s employment during night hours, the following peak season agricultural work in which women were engaged were listed as ones that had to adhere to the regulations:

- Cashew nuts — any processes
- Coffee — milling and cleaning
- Grain — milling
- Oil — extraction
- Sisal — decorticating and brushing
- Sugar — extracting and refining
- Tea — manufacture
- Tobacco — manufacture
- Cotton — ginning and baling

Already intractable notions of an industrial sexual division of labour were appearing as revealed in the Legislative Council debate over the consequences of this restrictive legislation for those coffee estate owners who were working with shipment deadlines and needed labour around the clock for coffee sorting. The Governor himself intervened asking if it was essential to employ women. The reply was, ‘Your Excellency, it would be very difficult to substitute men labour for women labour in many cases of grading work’. The 1951 Labour
Census revealed that women composed 5% of the total labour force, 80% of which were employed in the agricultural sector, whereas only 47% of total male employment was in the agricultural sector.

The Process of Proletarianization
It has been argued that the process of primitive accumulation and proletarianization can take many different forms. In Tanganyika, proletarianization cannot be traced to a clear cut move to dispossess the peasant producers of their land as happened in England with the Enclosure Acts. The transformation of the colonial labourers' consciousness and objective circumstances from that of peasants to workers must be analysed in the light of the contradictions arising in their home areas as a result of intensified commodity production and the contradiction they themselves posed for the development of colonial and post-colonial production.

Increasingly, colonial employers of migrant labour were concerned with the low labour productivity attaining in their enterprises. Kaijage has related how the 'sons of the soil' were in the eyes of their capitalist employers inefficient, slow to learn skills, in need of constant supervision and worst of all, totally irregular and unstable in attendance at work. He instances such a complaint from the Colonial Development Corporation's 1950 Annual Report:

These (labourers) are mainly of the Wangoni tribe and represent ... about the lowest grade of labour to be found anywhere on the African continent. They are of medium to poor physique and require constant supervision to attain any standard of efficiency or workmanship and to prevent idling ... They will work with the greatest reluctance and complete lack of interest and, when they have earned the little money they need, will retire to their villages to present themselves for work some months later, having completely forgotten any training they may previously have received.

Kaijage interprets the cause of this contradiction as the migrant labourers' retention of a peasant rhythm of work which was task-oriented rather than synchronized to the capitalist beat of 'time is money'. However, the causes of low labour productivity were many; economic, cultural and not least physical. Migrants were often in poor health and plagued with diseases deriving from either their poverty-ridden home areas and/or the poor diet and unsanitary conditions of the labour camp. Poor labour productivity may be attributable to political motivation. It might be likened to the 'go-slow' tactics of workers under capitalist regimes. It is possible that given their objective position, migrant labourers gradually realized that their labour power was a commodity and that they had bargaining power. Precisely because they still had access to the land they were in a better position to bargain, although their starting position was very low indeed.

This political interpretation is supported by the evidence of pronounced labourers' resistance as early as 1939 when a dock strike was staged in Tanga. It appears that protest during the 1930s and 1940s was generally racially charged, characterized by the sporadic and spontaneous outrage of Africans against bigotted employers rather than the conscious organized action of workers against capitalist exploitation. In the 1950s this changed and trade unionism began. The Tanganyikan Federation of Labour was registered in 1955 with 17 affiliated trade unions. Sisal workers formed the National Plantation Workers Union in 1958 with a membership of 30,000. It was at this time that the workers aligned themselves with the nationalist movement, and as Shivji pointed
out, 'the wave of strikes during the 1950s was probably instrumental in bringing about independence'.

In response to these forces, the move for guaranteed minimum wages representing a ‘family wage’ (in contrast to the bachelor wages of the labour migrants) began to take shape in the 1950s. In 1953, the colonial state created the legal machinery necessary for fixing statutory minimum wages. However, wage regulations were not actually put into effect until 1957, when they were restricted to Dar es Salaam. It is interesting to note that in this legislation adult male wages were fixed at Sh/42 per hour whereas adult female wages were fixed at Sh/32. In 1962, immediately after independence, statutory minimum wages were approved for Tanganyika as a whole and the de jure sexual differentiation in wages was eliminated. The labour migration system was thus abandoned. Labour was ‘freed’ from its present base and paid at the full costs of the reproduction and replacement of its labour power.

The ‘family wage’ legislation in Tanzania can be likened to the Enclosure Acts in England in the effects it had in triggering a floating surplus population in the urban areas. Between the years 1948 and 1967 the annual growth rate of population in the urban areas ranged from 5% to 10%. Between 1967 and 1970, the urban population grew at a rate of 12% whereas the average annual growth rate of the total population in Tanzania was only 2.7%.

Young people in the rural areas weighed the pros and cons of migrating to the city in search of employment. The rural areas offered security of livelihood, but in essence this means security of bare subsistence, if that. Peasant commodity production had not experienced any great technological development. The productive forces remained essentially pre-capitalist. Family labour and the hoe were the predominant means of production. Peasants’ sale of their cash crops on the capitalist world market meant the constant oscillation of their annual incomes. Whether it was high or low there was a growing margin between the world market price and the price the producer actually received on the local market. In other words, surplus was being extracted from peasant production by the state to support the concerted post-independence drive for development and the growing number of people in government who constituted a non-producing class.

On the other hand, the migration of young people to the city was risky in the face of very high unemployment. Nevertheless, thousands of peasants felt the risk worth taking. The differential between wage earners’ and peasants’ incomes made wage labour preferential to all but the kulaks. A recent 1977 World Bank report estimated that the value of subsistence production and earned income for an average Tanzanian small holder peasant was only half the income of an urban wage earner.

While hordes of peasants in urban areas served the interests of early capitalist development in England, in Tanzania the migration of great numbers of peasants eager to relinquish their ties with the land posed a problem for the state. The state’s primary purpose in fixing minimum wages in 1962 had been ‘to stabilize the labour force with fewer wage earners, but with an increase of individual productivity and higher individual earnings’. The attendant consequences of this policy was the creation of a relative surplus population. Beginning already in 1951 the total number of wage earners started to decline. In
1951, out of a total African population of 7,731,000, only 455,000 (5.9%) were employed. There was a general downward trend dipping as low as 253,000 in 1967, only recovering and exceeding its 1951 level in 1974 when total employment rose to 484,000. This decline is even more striking when it is borne in mind that during the same period, the total population of Tanzania rose from 7,823,000 to approximately 14,500,000 people. After independence, the drive for industrial development did not lead to a significant increase in jobs. The industrial programme was characterized by import substitution where capital-intensive techniques using imported machinery were most prevalent.

The state's viewpoint then became one that argued that the exodus of peasants from their rural areas had to be controlled. Urban unemployment and under-employment meant the existence of unproductive people burdening city school, hospital and transport services. Furthermore, it depleted the rural areas of agricultural producers. This had serious implications for a social formation whose primary base for accumulation was still agriculture. Recently the World Bank has recommended equalizing the incomes of workers and peasants, by offering higher producer prices for cash crops, as a means of stabilizing the economy. Furthermore, wage employment which has spurted rapidly in the last few years, especially in the parastatal and public service sectors, is cited as evidence of a significant decline in labour productivity. More stringent restrictions on wage employment entry such as more advanced education, work experience and/or age are thus advised.

The World Bank's evaluation of Tanzania economic performance and its recommendations represent international finance capital's mediation to dictate the most efficient, i.e. profitable, utilization of productive assets. Since 1974 when the combination of a very bad harvest and rocketing oil prices crippled the Tanzanian economy, the World Bank's presence in Tanzania has become more pronounced. The total amount of World Bank and International Development Authority loans to Tanzania prior to 1974 was $230.3 million. Since 1974 these agencies have already loaned double that amount.

Women's Role in the Process of Proletarianization: Female Urban Migration

After World War II more women began to follow their migrant husbands to their places of work because employers were beginning to offer free transport and amenities for wives as dependents in a bid to stabilize their labour force. The 'family wage' entrenched this tendency for more female urban migration. In 1948 the ratio of men to women in Dar es Salaam was 141:100, in 1957 131:100 and in 1967, 123:100. There is every indication that the gap has closed further during the 1970s.

In the 1971 National Urban, Mobility, Employment and Income Survey (NUMEIST), women interviewed in seven major towns in Tanzania were asked their main reason for coming to town. Sixty-six per cent of the women said they followed their husbands, only 9% came directly to seek employment, whereas 70% of the men interviewed had had the latter purpose in mind. Nevertheless, Shields has argued that female migration cannot be simply seen as a result of male migration 'since this leaves unexplained the large increase in recent years of women in the migration stream'. He points out that the proportion of unmarried female migrants had increased from 13% of the female total in 1950-52 to 33% in 1970-71. Strong indications of personal economic motive in female migrations
are implied in Sabot's findings which revealed that migration rates to Dar es Salaam for women with Standard 1-4 education are 2.3 times greater than their male counterparts. Likewise for Standard 5-8, the female rate exceeds that of the males by 1.6 times. Numerically, however, men migrants exceed women migrants because so many more men are educated to these levels.

On the balance sheet of women's calculations as to whether or not to migrate, the 'cons' weigh heavy against staying in the village, especially for girls with some education. Young girls have far less security of livelihood in the village than boys, and therefore are a latent surplus population who have a much lower threshold for conversion to a floating surplus population. Women's traditional access to land and means of production is basically limited to usufruct rights conditional on their marital status. Ownership and control remains in the hand of the men-folk. Migration to the urban areas offers an alternative to women's traditional subordinate role in village production.

**Women Workers and Sexual Discrimination in Wage Employment**

Although women's migration to the urban areas has markedly increased in the past two decades, their presence in the wage labour force has shown perceptible but not drastic change. In 1951 women constituted 5% of the total labour force, increasing to 7% in 1969 and 9% in 1974, the most up-to-date figure obtainable. Given these figures, it is not surprising that women of the urban working class are found primarily earning incomes outside wage employment in petty commodity production, e.g. keeping chickens and selling the eggs or cooking small snacks to sell on the streets, etc. The nature of their work is significantly different from wage work because the site of their commodity production is most often in the home. Due to lack of documentary evidence on the extent and variety of urban petty commodity production performed by women, the focus of this paper remains solely on women workers, whilst bearing in mind that women workers are a minority who reflect a tendency rather than the overall general situation of urban Tanzanian women.

Women's job opportunities are very limited in the highly competitive urban job market. Between 1965 and 1971 the unemployment rate for women, excluding subsistence income earners, increased from 7% to 20%, whereas the unemployment rate for men decreased from 7% to 6%. There are no laws guaranteeing equal job opportunities and employers are free to hire discriminately on any basis they see fit. Recent studies by Meghji and by Swantz and Brycecon indicate that sexual discrimination is rampant. The three immediate causes for this are:

1. **Sexual Designation of Industrial Tasks.** Meghji in her study of three Tanzanian industries found that factory managers generally viewed women workers as incapable of handling machinery of any complexity. Just as in peasant agriculture where men took over formerly female designated tasks when mechanization was introduced, the same pattern has emerged in industry. A striking example of this was the Kibo Match Corporation where women composed 90% of the labour force before 1969, under the prevailing labour-intensive production process. Then the company mechanized its production process and women's employment plummeted down to 31%. By 1976, only 20% of the total labour force were women, although total employment had risen from 101 in 1969 to 224 in 1976. The coffee curing factory in Moshi is another example. In 1972, automated machinery was introduced and all female workers numbering 800
were promptly dismissed.

Other factories such as the Moshi Textile Mill have confined women to the labour-intensive sections of the factory. Those factories which, contrary to the general rule, are labour-intensive, often employ predominantly women. The African Flower Industry, 'a backyard, labour-intensive type of industry' producing pyrethrum mosquito coils, hired women because according to the manager the 'women are hard working, patient and do not create any problems'. At Tanita cashew nut factory, female employees (900 out of a total 1,260 workers) vastly outnumbered men. This was attributable to the unskilled nature of the work where lack of training or previous job experience was not a hindrance.

2. Employers' Notions of Female Labour Productivity. Meghji's interviews with managers (all of them men) revealed that they considered women workers far less productive than men due to absenteeism and/or reduced output caused by menstruation and childbirth. It is in the light of this that the 1975 Maternity Leave Act which legally entitles women, regardless of their marital status to a 12 week paid maternity leave every three years (paid by the employer) has had adverse effects on women's employment. For example, the Moshi Textile Mill stopped hiring women in 1975. At the Urafiki Textile Mill, the issue of women's employment had been contested. Due to the inconvenience of maternity leave, the management decided to stop hiring women. The Party representatives at the factory intervened and the idea was abandoned. This was not the outcome in other places of work. While the Maternity Leave Act was a positive step forward, it could also represent two steps backward. Boserup has suggested a way round this: that maternity leave should become a social responsibility whereby the government deducts funds from all employers whether or not they employ women, to be used to re-imburse those employers with women employees who incur maternity leave costs.

3. Women's Lack of Education. In 1977, a national universal primary education programme was launched whereby parents were compelled to send both their boys and girls to school. The impact of this programme on women's job opportunities will be witnessed in another decade. For the time being, women's lack of education relative to men (see Table I) has placed them in a disadvantaged position in the highly competitive urban job market. More and more, unskilled jobs are offered to those with education qualifications. Even at Urafiki where women's employment was defended, women were structurally discriminated against through Urafiki’s policy of hiring only Standard 7 leavers.

<table>
<thead>
<tr>
<th>Education</th>
<th>Male %</th>
<th>Female %</th>
<th>Total %</th>
<th>% of Female Total</th>
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<tbody>
<tr>
<td>None (Years)</td>
<td>23.6</td>
<td>52.5</td>
<td>37.4</td>
<td>67.1</td>
</tr>
<tr>
<td>Standards 1-4</td>
<td>21.7</td>
<td>17.1</td>
<td>19.5</td>
<td>42.0</td>
</tr>
<tr>
<td>Standards 5-8</td>
<td>35.9</td>
<td>22.1</td>
<td>29.3</td>
<td>36.1</td>
</tr>
<tr>
<td>Forms 1-4</td>
<td>16.5</td>
<td>7.6</td>
<td>12.2</td>
<td>25.6</td>
</tr>
<tr>
<td>Forms 5-6</td>
<td>1.2</td>
<td>0.4</td>
<td>0.8</td>
<td>25.0</td>
</tr>
<tr>
<td>University</td>
<td>1.2</td>
<td>0.0</td>
<td>0.7</td>
<td>19.5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>47.8</td>
</tr>
</tbody>
</table>

Source: NUMEIST Sample cited by Shields.

Difficulty in securing wage employment leads to women securing work in the informal sector as producers of petty commodity goods for sale. The consequences were outlined by Shields:
The majority of the employed women in Tanzania are in that hazy boundary between employment and unemployment, not quite fully employed and yet not earning enough for the amount of time and effort devoted to work.

Table II serves to illustrate that in both self-employment and wage employment, women's earnings are less than men's although this tendency is much more pronounced for the self-employed.

**TABLE II: DISTRIBUTION OF URBAN LABOUR FORCE BY INCOME AND SECTOR OF EMPLOYMENT**

<table>
<thead>
<tr>
<th>Income Group (shillings)</th>
<th>Wage Earners</th>
<th>Self-employed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male %</td>
<td>Female %</td>
</tr>
<tr>
<td>1-25</td>
<td>.4</td>
<td>0</td>
</tr>
<tr>
<td>26-100</td>
<td>3.9</td>
<td>13.5</td>
</tr>
<tr>
<td>101-190</td>
<td>17.5</td>
<td>29.3</td>
</tr>
<tr>
<td>200-300</td>
<td>40.7</td>
<td>24.8</td>
</tr>
<tr>
<td>301-600</td>
<td>24.9</td>
<td>20.3</td>
</tr>
<tr>
<td>601-1000</td>
<td>5.9</td>
<td>6.1</td>
</tr>
<tr>
<td>1001-3000</td>
<td>6.1</td>
<td>6.1</td>
</tr>
<tr>
<td>Over 3000</td>
<td>.6</td>
<td>0</td>
</tr>
<tr>
<td>Total in sample</td>
<td>1700</td>
<td>296</td>
</tr>
</tbody>
</table>

Source: Shields.

**The Social Characteristics of Women Workers**

What then can we say about the female wage earners who in the face of all this sexual discrimination and of high female unemployment manages to secure employment? The following information is drawn from a 1973/74 sample survey of 295 women workers in Dar es Salaam (by Swantz and Bryceson), but we feel it is probably representative of Tanzanian women workers in general.

4. *Rural Emigrants with a Specific Background.* The vast majority of the women workers interviewed had migrated to Dar es Salaam and were daughters of peasants. Women from tribes in the area surrounding Dar es Salaam were not well-represented, owing to the traditional Muslim custom in the coastal areas of excluding women within the home. Women from tribes with a history of labour migration were very numerous as were women from Kilimanjaro, an area of highly developed commodity production of coffee. In both cases, it is fairly safe to surmise that the penetration of the cash nexus in their home areas had facilitated the dissolution of the pre-capitalist relations of productions which would have bound them to the villages.

In the case histories of the women, it became evident that the migrant woman's departure from her home area could rarely be portrayed as the rebel's desire to flee the familiar and embark on an entirely new life. The importance of family ties readily assisting the emigrant can not be underestimated. Members of the extended family were almost always present in the process of migration either accompanying or meeting the woman migrant on her arrival in Dar es Salaam. Housing was rarely a problem on arrival. Relatives invariably offered accommodations until the women could make arrangements for themselves. This is not peculiar to women. Sabot reported that 75% of all male migrants receive assistance from relatives or friends during the early stage of their sojourn in the city.

The majority of women came to Dar es Salaam between the ages of 16 and 24. It is clear that conducive social patterns in the home area are a necessary pre-condition for migration. However, events experienced by the women as individuals
reinforced by social pressures within the community provided the final impetus for the actual migration. Personal hardships requiring a re-identification of the woman's role in her village, such as the incidence of divorce or the death of a parent, were often cited as reasons for migrating.

In the case of the death of a parent, especially a father, responsibility is thrown on the adult offspring to ensure the economic well-being of the widowed parent. Filial duty is strong whether or not a death has occurred. Daughters as well as sons are solicited by their parents. In cases where women in rural areas were not in a position to provide for their widowed parent they would often be compelled to try to find a job in town in order to send money home.

Divorce however seems to be a far greater motivating factor for migration than a parent's death. Claeson and Egero, in their analysis of 1967 Census results, discovered that the proportion of divorced women in the urban areas is two times greater than in the rural areas, whereas for men there is no rural-urban difference. This would seem to indicate that a very pronounced selective urban migration of divorced women is taking place. Under the prevailing circumstances this, however, is not surprising. A divorced woman's position in a village is precarious. After separating from her husband she may have the choice of retuning to her parental home, but particularly in a case where the father has died the woman would be dependent on her brother's good will. In many areas the traditional responsibility toward other members of the family no longer effectively operates to guarantee a divorced woman's share in the land or the proceeds of the land. In any case, a divorcee traditionally had to be satisfied with what was given to her. She did not hold legal rights to her father's property.

5. 'Husbandless' Women. The most outstanding feature that distinguished the women workers interviewed from the general female population in Dar es Salaam was that 63% were 'husbandless', either single, divorced or widowed, whereas the Dar es Salaam Census figures show that only 24% of the female population between ages of 15 and 54 fall into this category. There are two possible causes for this. First, women without their husbands' financial support have to find jobs. This is borne out by Sabot whose sample revealed that 62% of the married women were unemployed whereas only 27% and 11% respectively of the single and divorced women were jobless. This presumably indicates that 'husbandless' women are forced to secure jobs as soon as possible, often settling for a lower income than desired. Second, although there is no documentary evidence it is widely apparent that many married men forbid their wives to work if family economic circumstances allow.

6. Women Heads of Households. Women workers are often not only 'husbandless' but also heads of households with children to support. In the Dar es Salaam survey, the mean number of children per woman worker compared with the average for Dar es Salaam women in each age grouping was only slightly depressed. Shields analyzing the NUMEIST survey results found no substantial difference in numbers of children between employed and non-employed women and maintained that there are no signs of women withdrawing from the labour force during peak reproductive years, a discernable pattern in some countries.

Women Workers' Consciousness
How do women workers perceive their position? How does their position as workers affect their relationship with men and with their children? In the inter-
views conducted with Dar es Salaam women workers some insight was gained into these questions.

7. *From Village to Town Life: The Recognition of New Social Contradictions.*

The women workers had migrated to the city and had not been forcibly evicted from their rural homes. There were of course many factors, both objective and subjective, conditioning the women's decision to migrate. When asked about the differences between town and rural life, the change was conceptualized primarily in material terms. The women were in general agreement that work pressure was reduced in the towns even though they had jobs. Village cultivation was described as very hard, sweaty work with long hours. The commoditisation of city life was what they reacted against. Complaints were voiced about having to buy everything, even water, in the city. One woman bemoaned the pitfalls of consumerism. Dress competition caused her to go without enough food for many days until the end of the month when she received her salary. Nevertheless, almost all the women had no plans to return at a later date to their village to stay. The two women who expressed a strong preference for village life qualified their statements; one was too accustomed to city life to return, while the other confided much later that she only said she liked the village better for fear of being sent back. It appears that women had every intention of keeping their break with the rural areas permanent, although they were generally in the habit of visiting their home areas during their annual leave.


Almost all the women interviewed earned minimum wages. It became evident through the interviews that many of them, especially the women heads of households, stretched their wage to the absolute limit to support themselves and their dependants. Similarly Meghji's survey of women workers, in which 74% of the women were not legally married but had children, revealed that the women had to resort to subsidizing their wage income through cultivation of small plots or prostitution. Others had to depend on their extended family in the rural areas for help with food or taking care of their children.

The unskilled, routine nature of their jobs allowed women workers little enthusiasm for the work itself. No one had any suggestions for improving or systematizing their work. As one woman put it, 'Mimi ni bendera nafuata upepo': she followed what her supervisors directed her to do 'like a flag following the wind'. Another woman cynically stated, 'Why should I think of an impossibility? Do you think if I give an idea the boss will agree? After all we do not participate in any decision-making meetings. The top people do not expect any reasonable suggestions from a worker'.

The wage differentials existing at their places of work further deepened an acute class consciousness amongst them. They did not indulge in fanciful dreams about material wealth unavailable to them, but many entertained feeble hopes of bettering their economic position through promotion. Learning to read and speak English were considered the most likely means to gain promotion. All viewed differences in education as the reason for a social gap between the *Wakubwa* (big noises) and themselves, the *kima cha chini* (the downtrodden). One old woman confessed when asked why she ran away from school in her youth, 'Ah, my friend, had I known education would be of such use I would have gone very far'. Others were resigned and recognized it was too late for them to benefit materially to any great degree from studying, yet they were eager to
learn and embraced the workers' education classes at their places of work with enthusiasm.

The women workers had not begun to involve themselves in political activities to any great extent and did not seem to view the available political organs as channels through their specific problems as women could be redressed. Many were party members registered at their places of work. When asked if they spoke at party meetings, all said they preferred to listen only. *Umoja wa Wanawake wa Tanzania* (UWT), the national women's organization affiliated to the Party, would seem to be the organ through which their voices could be heard. The question of what activities UWT engaged in at their place of work revealed an orientation towards domestic arts and/or entrepreneurship, which included sewing, knitting, cooking, and basket and clothes sales for fund raising.

9. *Changing Family Patterns.* Some of the women workers recognized the significance of wage employment for sexual equality. One observed, 'When a woman gets a job she can have the same job as men if she has the qualifications; you see, both men and women are cleaners here at this Ministry'. But she regretted that this is not enough to earn women social respect: 'On the other side, the situation is not very good because men despise and ridicule women very much'. It was when she was derided by men that she saw the 'importance of having a husband because it was not often that a married woman is ridiculed'.

Attitudes towards men seemed to be moulded by their marital status. The married women were most often complacent. Feminine wiles oozed through the words of one of the older women who had been married to the same husband for many years. 'Being a woman is punishment because first of all, we are very weak physically compared to men. We cannot decide anything on our own unless we seek the advice of men. Men consider women as equal to children in thinking capacity. I cannot build my own house as a woman because men will ridicule me. It is not proper for a woman to have her own house. She has to be in either her husband's, her father's or her brother's house'.

On the other hand, militant refusals to get married were voiced by some of the divorcees. Many had consciously rejected their socially ascribed role of legitimate dependence on men. One woman emphatically described a husband who consumed the family's funds in drink and beat his wife. The oldest woman interviewed very solemnly declared that she was 'through with men'. Many were of the opinion that the best thing to do was to live with a man without marrying him which avoided many problems because each could go their own way when they wanted. The man could pay the woman's house rent, while the woman in turn could cook for the man.

It was apparent that even single women were becoming more cynical about marriage. From the perspective of women workers there would be definite advantages to being 'husbandless'. They would be free to decide how their earnings would be spent. Second, there is an indication from the very high incidence of children born out of wedlock that women do not view the need for a father to their children as so critical. In fact, with the way the law is presently structured, women have more secure rights over their children if they are not married. The 1971 Marriage Act stipulated that in the case of divorce, women may bear the responsibility for the care of their children who are under the age of seven. After seven years of age, the custody of the children is decided by the court. Clauses in
the 1971 Marriage Act stipulate that custody should be awarded on the basis of social customs of the community. Thus we find the magistrate courts commonly awarding custody to the father in adherence of the prevailing patriarchal customs.

Whether or not women workers were legally married, combining wage employment with the care of pre-school children posed a problem. Very few factories or places of work provide day care facilities. The women workers generally had to work out their own solutions which depended on their family circumstances and financial position. In 40% of the cases an older relative, usually the grandmother, was most frequently left in charge of the pre-school children. This seemed to be the best solution involving a mature person who could better ensure the safety of the children and usually was not a great drain on the family income, because either the person was fully independent and helping the woman worker or only semi-dependent. Thirty per cent of the workers hired an ayah (nurse) — wages for whom, when mentioned, ranged between Sh.40/- to Sh.70/- per month, a considerable amount of money for women themselves receiving only minimum wages of barely Sh.300/-.

CONCLUSION

Wage labour objectively offers an alternative to the oppressed position of women in peasant commodity production. At the same time, historically women have been at a disadvantage in the acquisition of wage employment due to pre-capitalist male control. However, if a woman is married, her wage will nevertheless be subject ultimately to the male household head’s control to the degree that the patriarchal ideologies of pre-capitalist modes of production prevail. Her marriage entwines her in relationships that embody multi-dimensional female subordination. Under these circumstances, it is not surprising that Tanzanian women’s resistance has been directed at a rejection of marriage and binding relationships with men. As a result, changing family patterns are arising around women workers.

Women workers could be generally characterized as independent women who perhaps rely on boyfriends to pay their rent and on members of the extended family to look after their children, but who ultimately depend on the sale of their own labour power to maintain themselves and their children, and thus to some degree they have succeeded in overcoming the sexual subordination they suffered as peasants.

Finally, it is important to note that the class struggle and struggle against sexual oppression can merge over the issue of the female wage and female job availability. Tanzanian women secure their jobs under conditions riddled with sexual
discrimination and almost always are found receiving lower wages than men. Although there is little documentary evidence it appears that often Tanzanian women workers of those women who have failed to land jobs are forced to become prostitutes to make ends meet. Here is the other side of the capitalist mode of human reproduction: women overcoming a position of subordination to men within the family, become subordinated to men in the market. In other words, having escaped the objectification of their sexual fidelity to a husband, they then become subject to the exigencies of the prostitute's trade, sexual promiscuity objectified as a commodity for sale to many men. The female women worker prostitute represents the epitome of 'freedom' under capitalism. She is 'free' to sell her labour power and her sexuality, but in reality she is forced to do both to secure her subsistence.

Bibliographic Note

A LUTA CONTINUA! 1980
One-day Conference on Mozambique, Angola and Guinea-Bissau
Discussion panels and workshops on Mozambique: the Internal Offensive and the state of the Revolution; Angola: first hand reports on the internal situation; Amilcar Cabral and reconstruction in Guinea-Bissau.

Among the contributors will be Basil Davidson and Colm Foy on Cape Verde and Guinea-Bissau, Barry Munslow and Paul Fauvet on Angola, Richard Williams and Malcolm Segall on Mozambique.

SATURDAY DECEMBER 13
10 am – 5.30 pm
at University of London Union, Malet St., London W1. Advance registration £2.00, OAP's and unemployed £1.00 (£2.50 at door) from Mozambique, Angola and Guine Information Centre, 34 Percy St., London W1P 9FG. (Tel: 01-636 7108). Creche and refreshments available.
US Policy Towards Southern Africa in the Framework of Global Empire

Werner Biermann

US interest in southern Africa was marginal until the 1970s. Its interest in the area must be understood both in terms of its global empire and in relation to the US attempts to stabilise the world system by integrating the Soviet Union. Given the general movement in the international economic order, can liberation movements in southern Africa move beyond national struggles towards a socialist transformation? The author is pessimistic about such a possibility, because of the market control the capitalist system still enjoys both regionally and internationally.

Africa occupied a marginal role for the US, despite the fact that it had emerged as the leading hegemonic power after World War Two. The reasons are obvious: (a) Africa in general was insignificant economically, attracting less than three per cent of all US direct investments and trade; and (b) Africa remained, even after decolonization, the main sphere of influence of those metropolitan powers which have traditional political roots in the continent. The scenario changed fundamentally at the beginning of the 1970s. The reasons for this shift are primarily based on the profound process of re-orientation the US underwent at the moment when her capacity to police her own empire was in doubt.

The concept of global omnipresence was no longer viable as the US involvement in Vietnam concentrated her military forces in this particular region and new involvements in other conflicts were precluded due to economic and domestic contradictions. The Nixon-Kissinger approach of a multipolarized world and resulting conflict regionalization, was shaped as a result of the declining US empire. Even at the height of the Vietnam war, the Soviet Union and China did not hesitate to join the US offer of global responsibility despite their massive anti-imperialist rhetoric. The so-called peaceful coexistence or detente implied a principal agreement on conflict management which means that any conflict in the third world ought not basically to be regarded as a threat to the cautious process of mutual understanding. Given the imperialist character of the US, the global compromise pursued by the Soviet Union and China not only means an abrupt discontinuation of political and ideological positions elaborated by Lenin and Mao Tsetung, but clearly indicates the impact world politics and world economics still have on societies defining themselves as socialist.

In the light of the debate whether the Soviet Union is an imperialist power or whether China follows a revisionist course — a debate which is rich in rhetoric
and poor in theoretical rigour — one sees that the proclaimed immunization against world market influences is not valid: in other words, if economic dependency exists then the socialist mode of production is still imperfect, defective and more or less at the stage of transition that Wallerstein identifies. This transitional character is fundamental to the analysis of the role the Soviet Union plays with respect to the liberation struggle in southern Africa.

Because of her political and economic decline, the US has succeeded recently in stabilizing the world system by integrating her major opponent. Despite the political thesis that socialism means and intensifies the final threat to imperialism, the reality simply proves that due to the existence of so-called socialist societies, a degree of stabilization has been reached which has provided the imperialist powers with guarantees that they could only have dreamed of before the emergence of the socialist countries. Returning to Lenin’s approach, it will be the internal contradiction which will finally lead to a social transformation inside the metropolitan societies. But, given the level of political opposition and the level of class struggle which has shifted away dramatically from the orthodox pattern of proletarian revolution — a proletariat which behaves and appears in the most advanced metropolitan society, West Germany, as a bourgeoisie. The opposition in these countries can only criticise bourgeois society in a limited fashion, without exposing the questions of surplus value extortion, exploitation and appropriation.

The liberation movements in a colonial setting and pre-revolutionary movements in a post-colonial stage only get support from the Soviet Union and China on a more or less tactical level, which does imply total withdrawal in case of a massive retaliation. the Angola-Zaire connection gives proof for this. After the successful support of MPLA, the Cuban and Soviet auxiliaries might have easily backed the Zairean guerillas. They obviously did not intervene as the metropolitan powers were already present. The future revolutionary scenario in southern Africa will, present evidence suggests, be shaped by regional forces with the imperialist actors leaving the liberation movements isolated internationally.

Even after having achieved national independence the processes of socio-economic reconstruction and socialist paths of development are impeded by and ultimately rendered impossible by the existence of a capitalist world market to which the societies in non-capitalist transformation belong as well. If by socialism we mean not a state-run economy with the abolition of private property, but the basic orientation of an economy towards fulfilling individual and social needs, then the question emerges how this target can be achieved. New states face a necessary world market orientation with a weakened domestic economy based on under-development and structural unevenness, an implanted industrial enclave and a devastated rural hinterland. As long as the world market is governed by profit-orientation, any participant has to obey to the rule which implies that domestically the production offered for international exchange must be organized along profit-lines, thus diminishing the autonomous parameters of socialist development. This pattern Kissinger had in mind when he defined the strategic goals of US policy towards southern Africa. He openly admitted that the main objective was not to prevent the emergence of nationalist and even anti-imperialist states but to see these states coming under the tutelage of a rival global power where the mechanisms of influence would not work smoothly.

What the liberation struggle in the southern African sub-region can achieve at the
present stage of world capitalist development is the final overthrow of the colonial regimes. Socialism, however, will remain an elusive target as long as a mutually reinforcing international class struggle on a world scale is not evident: the liberation of metropolitan societies from the yoke of capital will simultaneously imply the end of capitalist dominance in the third world.

The objectives of US policy-making with respect to southern Africa are in the short-run stamped by the level of intra-capitalist factions, i.e. the capital faction extorting large amounts of surplus value pursues a hard political line whereas the capital faction remaining commercially-orientated seems to be more dove-like. Another distinction must be made on the basis of industrial branches. Whereas capital invested in industrial processing, manufacturing and domestic marketing has, due to its technological monopoly, a step inside the door even in case of post-independent nationalization, that part of capital invested in raw materials depends heavily on the political outcome of social transformation in southern Africa: the processing plants based in the metropolitan area rely on the mineral supplies from southern Africa, even technology depends on the input of these minerals. In case of nationalization, at least the level of international competition will rise and therewith threaten this particular capital faction’s profitability and its mere process of accumulation. Literature often mentions the military-strategic dependence of the US on mineral supplies. This is undeniable, as well as the fact that the US constitutes a major market for these minerals, given her world-leading technological level in this particular field. The minerals as commodities form a precious asset for the new societies, an asset which they have to sell abroad. The secret of the strategic dependence is incorporated in the laws of capitalist accumulation.

Given the close interlinkage between big business and US policy-making it is central to see which of the different capital factions exercises heavy influence on the different levels of the US administration and what their parameters and options are. From the above it follows that particularly the capital directly engaged in mineral extraction counts among the political hardliners whereas manufacturing capital has a relatively liberal option. This, of course, does not imply that capital deliberately abandons its favourable conditions of accumulation. it only provides a hint at the strategies the different capital factions might follow. The traditionally close relationship between the Republican Party and big business reveals the changes which the Nixon-administration undertook when the economic restrictions erected by the Johnson-administration in order to manage the contradictions rooted in the Vietnam involvement imposed disadvantages on the international position of the US multi-national corporations. In particular, the balance of payments deficits resulted in restrictions on capital exports. A solution favouring the world market position of the US multi-national corporations and the global position of the US in general, simply implied a strategy of detente towards her arch-enemy and delegation of mutual responsibility to it. With this achieved, an immediate withdrawal from Vietnam would not lead to a power vacuum filled by the enemy; simultaneously the economic burdens of empire maintenance could be regionalized with the US guaranteeing her strategic safety via her nuclear deterrence and US capital expanding and accumulating in relative safety.

With respect to southern Africa the US tried to impose her model of regionalization. For this purpose, the colonial forces, the South African and Rhodesian
settlers, were in the shortrun, regarded as the most loyal allies. The historical coincidence between US withdrawal from mainland Indochina and the emergence of an active US involvement in southern Africa must primarily be seen in the light of the global trend, while the successes of the liberation struggle rank only second. Having obtained the guarantee that a regional defeat does not necessarily imply a global threat, the US succeeded in dictating the patterns of conflict solution. By delegating regional responsibility, the US gained a strategic advantage which she lacked during the period of unchallenged hegemonial power: the US can get involved in clashes in different parts of the third world at the same time without an overt engagement.

The price the US has to pay, and which modifies the possibility of future conflict, is the supply of technology which the Soviet Union badly needs in order to overcome her protracted post-war reconstruction phase and which China needs even more to initiate industrialization. In China the accession to power of the right-wing faction has produced a need to tame the material aspirations of the masses. The more reliant these economies become on US technology and the resulting pattern of capitalist-styled production and consumption, the less the inherited revolutionary elan will become at domestic as well as on the international level. From this the depressing conclusion follows that the perspective for independent development in southern Africa is more than dark. How the US succeeded in preparing this scenario is to be discussed below.

**US Imperialism in the Post-War Period**

Without massive financial and material support, Britain could not withstand German imperialism. The price she had to pay for US support was the withdrawal from her once hegemonic position — the US became the world-leading power. She elaborated the set of mechanisms guaranteeing her unchallenged position: (i) the emergence of the dollar as the central international currency according to the Bretton Woods system; (ii) a system of free trade with the exception of the US domestic market which largely remained protected against foreign competition; (iii) the free move of capital investment led to an easy penetration of the other metropolitan economies by US capital (as long as those economies tried to repair their post-war damage and lacked the funds for massive capital exports); (iv) the US military forces stood as the only powerful imperialist army which could be maintained without a heavy impact on the domestic economy. Nevertheless, financing the empire imposed financial burdens on the US which it subsequently tried to delegate to a system of division of labour inside the imperialist camp. Defending the empire in Europe was delegated to the European powers, where NATO emerged as the military umbrella and the Common Market as its economic basis.

With respect to Africa, the heavily weakened metropolitan powers, UK and France, still basically maintained their empires after World War Two. Although France was forced to surrender her empire, while Britain's was given up more peaceably, in both cases the anti-colonial mass movements remained more or less loyal. This obvious contradiction should be seen in the light of a Fanonesque interpretation, i.e. the colonized peoples' permanent struggle against their oppressors must be seen in the light of social relations. The local elites, often misleadingly referred to as petite-bourgeoisie, as anti-colonial leaders could politically and economically only survive in collaboration not with the indigenous oppressed classes and strata, but with the metropolitan bourgeoisie. Their
hesitation to make use of the highly favourable conditions to get rid of the colonial yoke must be seen in this light. Only when the metropoles recovered from the consequences of the world war, the African elites intensified their political pressure. For the US an almost insurmountable dilemma developed: on the one hand, the metropolitan powers had been the most reliable allies, on the other hand, the social unrest in most parts of the third world might easily strengthen the position of socialism, which implied a challenge against the Free World.

In the African context, the US adopted her policy of global containment, too, i.e. stabilizing and supporting pro-western elites of whatever political appearance. Given the social background of the African elites, the dilemma could be solved: the colonial metropolis formally resigned and by the act of decolonization the aspirations of the indigenous ruling classes became fulfilled. Both US junior partners gained — the metropolis no longer needed to maintain an expensive colonial administrative and a colonial army which, as the Algerian example proves, had to be largened and which swallowed ever-increasing funds. Economically, the metropolitan capital did not lose anything — the new ruling classes depended exclusively on the capitalist infrastructure and implanted industries. This was true, first, with respect to tax incomes and derived fund allocation for the new bureaucracy. Second, with respect to trade (urban traders as regulators of the domestic world market connection), and third in agriculture (where the West African chiefs, as landed classes, relied on the world market as outlet for their production). Those who had to pay for this conspiracy were the peasantry, the rural and urban proletariat and the marginalized masses. With the economic openness of national frontiers, the mechanisms of unequal exchange and financial plundering started. Even the planning of large market units as has been defined by the Lome convention, in the end will only favour multinational corporations for which a larger unified market makes sense with respect to economies of scale.

The deeper-rooted the ruling elites are, as is the case with Francophone West Africa, the more stable these neo-colonial regimes are, whereas in other countries the internal fractional clashes often led to coup d'etats and military regimes, which, however, do not change anything structurally in regard to the masses. Despite the abnormal degree of externally geared plundering and continuing underdevelopment, the loyalty of most neo-colonial states towards their metropolitan masters remains unbroken.

During the Algerian liberation war the Democratic opposition in the US openly declared that the US should support the Algerian case, a political attitude which made only sense as French finance capital, too, using De Gaulle as its spearhead, opposed the colonial war. With US backing, the Evian conference finally settled the protracted decolonization. When some years earlier the same US government had successfully blocked the realization of the Geneva agreements documenting the definite surrender of colonialism in Vietnam and the re-unification of both regions which would have meant a strictly nationalist and anti-imperialist government, her conception was based on a clear-cut assessment that in the near future US influence in this region would be finished. We can conclude that massive intervention and tactical appeasement form two pillars of the US concept of power conservation.

The diplomatic offensive which the US used to try to identify herself with the anti-colonial struggle is mere rhetoric: as a global power the US has her fields of
interest in metropolitan and third world regions simultaneously. This means that the US engages herself in anti-colonial stances if she has both the support of a metropolitan capital faction and the assurance of an emergent loyal indigenous class.

The Congo crisis in the early '60s gives further evidence for this strategic pattern: seeing the former colonial power, Belgium, unable to consolidate a moderate process of decolonization and fearing the break-up of the Congo caused by the Katanga secession, the US pursued a covert policy of counter-insurgency. Using the UN Peace-Keeping Force as a Trojan Horse the US succeeded in backing the pro-western faction of the Congolese government, which after a while overthrew the rival factions including the progressive nationalist leader, Lumumba. In this case, an open involvement would have committed the US to a civil war be it in favour of the Belgians or the western faction. Missing a strong loyal partner and being confronted with the Soviet Union which openly intervened, an internationalization of the issue under the guidance of the US seemed to be the only possible outcome. The Biafra secession gives another proof for the strategy of lieu-tenenzation. Seeing the strong support of the UK backing the Nigerian government, the US could remain neutral.

A similar pattern can be distinguished in the context of southern Africa. As the British concept of peaceful decolonization failed in the case of Rhodesia due to the settlers' resistance, this colonial class got full support from the US as long as it could guarantee the interests the US has in this region. Neither the search for a potential indigenous partner nor pressure on the former colonial metropolis, UK, seemed necessary as long as the status quo could be maintained. The settler regime was not regarded as the best of all solutions but it was a viable solution as long as the conflict did not intensify. It was thus not until the guerilla armies made an effective impact when the US began to switch support from the settler regime. Other peripheral-fascist regimes in the third world are treated similarly: as long as they strictly remain junior partners of the US they are backed at whatever cost, an outstanding example the Shah's regime. Even when the successive US governments blamed those regimes for breaking civil rights, these proclamations were without substantial consequences and were mostly aimed at taming the Afro-American community on the eve of presidential elections. This policy of brinkmanship had to be maintained as long as the socialist camp was regarded as the main threat to US hegemony. This came to an end when the Nixon-administration abolished the concept of cold war and sought and finally got dialogue and detente. From this moment on, prospective policy-making on the third world took on concrete contours.

The lessons of the Vietnam war and global detente
Vietnam constituted the region where the US concept of power delegation did not work. Neither the colonial metropoles defeated on the battlefield at Dien Bien Phu in 1954, nor an indigenous class had the capability to emerge as lieutenants. Therefore, the US had to involve herself directly. After the Geneva conference a period of stand-still took place which sharply came to an end when the Kennedy-administration desperately sought a political success. Having failed to prevent a socialist revolution at her own door, Cuba, the Kennedy-administration faced intense domestic criticism. The programming of the '62 Cuba crisis demonstrated that the Soviet Union was not willing to risk the outbreak of the Third World War. With this experience, the US did not hesitate to prepare for a
war in the third world where it was believed that the Soviet Union consequently would not risk a confrontation as well. To implant American patterns of economic and social life was seen as a world-wide act of demonstration that bourgeois-democracy was viable in all societies. W.W. Rostow whose approach on modernization influenced western academic debate, got the chance to test the empirical validity of his assumptions. Its complete failure only drew the US deeper into South Vietnam. The CIA plot against Diem, who was seen as a barrier against modernization, demoralized the only class which might have proved the junior partner the US was seeking for decolonization. What followed was the subsequent militarization and total warfare which almost exclusively became an American affair: it was not Vietnam that was at stake, but the Americans sphere of influence. The Guevara statement to create one, two, many Vietnams is the revolutionary answer to the imperialist concept to defend nothing else but its interests, leaving the societies involved aside.

The lessons the US had to learn in Vietnam were four-fold:

i. Domestically, imperialist expansion was for the first time put seriously into question; after Vietnam any new adventure would have to take social opposition into account.

ii. Even with the Soviet Union and China in political quarantine, the US learned that neither her economic nor her military power were sufficient to destroy the liberation struggle of a people.

iii. The imperialist strategy of global omnipresence came to its end: The costs of financing the Vietnam war were enormous. As the US led this war on a conventional basis with heavy input of technology and machinery, it is justified to see it as a prototype of war which by historical coincidence might take place elsewhere in the third world. The severe damage which this war imposed on the balance of payments, i.e. deficits in the fields of commerce and capital accounts, showed the small degree of manoeuvrability the US has if she alone turned to war. The intra-imperialist rivalries led to sharpening of economic competition with Japan and West Germany penetrating and occupying economic fields once dominated by US capital.

iv. Despite Vietnam, the process of mutual rapprochement worked. The Soviet Union and China sought dialogue with the US on economic and political issues. With the guarantee that a withdrawal from Vietnam would not automatically lead to a regional and global challenge by the rival powers, the US gained the strategic insight that she could hold her position if she could successfully use local agents to continue her wars.

Vietnam, the traumatic experience of limited globalism, implied a total re-orientation of US imperialism: from now on the regimes under US control in the third world got more responsibility to manage their internal affairs with the assurance that the US remained in the background with her potential available. Military aspects became secondary — Chile gave proof for this new approach: the covert action of US capital and the CIA was accompanied by the formal absence of the State Department in overthrowing Allende. The same pattern did not work in Angola, two years later. But here the mistakes must be mainly attributed to domestic affairs. The imprint militant anti-communism had put on the social life of the American citizens could not be swept away from one moment to the other when detente became reality. It was not by chance that only the most right-wing faction under Nixon could abandon the post-war attitudes: Watergate was therefore not a personal mistake, but the consequence of an insecure govern-
ment which dare not trust its newly shaped structures. The crisis of democracy was the final price the US had to pay domestically for the ease with which she had succeeded in erecting and maintaining her empire, mostly geared by ideological mechanisms of cold war.

The active commitment of the US in southern Africa started when with the collapse of Portuguese colonialism, a vacuum of power emerged and the once stable pillars, the settler regimes and the still regional hegemonical power, UK, went into crisis. Southern Africa, traditionally regarded as imperialism's back-yard, and the defender of US interests, stood at bay. For a short period, the Angolan civil war and the first Zairean crisis, it seemed as if the global agreement between the hegemonic powers would not work here. The ambitions of the Soviet Union were clear-cut: to protect the development of an independent Angola. It seems strange that the US only intervened here, whereas they let Mocambique find her own path of development. Evidently, independence combined with neutrality seemed to be an acceptable condition for imperialism. With Angola, however, the power race set in.

Southern Africa — Economic and Political Elements of the Present Scenario

With the famous NSSM 39, 1969, US policy was further based on moderate change in southern Africa, with the active support of the settlers regarded as the necessary condition of peaceful change and stability. It was the hope that via industrialization, the social conditions of the suppressed African majority would be ameliorated, together with political change. It was only with Soweto, 1976, that these hopes were smashed. The so-called gradualist position was, of course, massively backed by US capital, but beyond this it represents the basic credo of American civilization — that the free play of economics will finally fulfill mankind's hope for the pursuit of happiness. With this ideology, the US could justify each and every imperialist attack and offense. The strategic pattern was simple. Given that industrialization will solve all social problems, those social classes must be supported which already have the educational level and technical know-how. All those who object to this pattern are enemies of economic progress. It is they who are leading the illiterate masses in a wrong direction — the thesis of international conspiracy has been preserved from Truman to the present. Astonishing is the fact that the basic conception, which failure W.W. Rostow had seen in Vietnam, was revived. Obviously, US imperialism changed its habits on the tactical level, without altering its basic mechanisms and theoretical assumptions.

The relevance southern Africa has for the US remains marginal in comparison with other regions of the third world. As recipient of less than three per cent of all investments, southern Africa's place for US capital is mainly defined by its mineral resources, whereas manufacturing plays an insignificant role — mainly related to the low level of mass consumption (due to apartheid) and protective barriers fencing off the various domestic markets. A common southern African market would, however, render large-scale investments in manufacturing profitable. The strategic importance the subcontinent holds seems often to be overestimated. Frequently, it is argued that with the closure of the Suez-canal the long coastal lines of South Africa would protect the Western transport routes of Arabian oil vis-a-vis an increasing naval presence of the Soviet Union in the Indian Ocean. With a declining proportion of all oil supplies to the US coming from the Arabian gulf, the US economy does not depend on these sources as greatly as do the European metropoles. Similarly exaggerated is the position the
Soviet Union's naval fleet holds. Lacking an elaborated infrastructure of naval bases, this fleet has to rely on its far-eastern home-bases — a sea-route running through still Western controlled waters where in case of emergency, the US and her allies might easily intervene. Due to the new petrol politics, the Arabian producer countries tend to erect refineries in their own countries which in turn means that smaller tankers will be used, which can take the Suez-canal route controlled by a pro-western power.

On the other hand, the new foreign policy approach of the US delegates military and strategic tasks to her regional partners. In this context, arms supplies from France and West Germany to South Africa constitute an element in the framework of intra-imperialist division of labour. Politically, the overt support the US gives to the colonial regimes is more important — the high sensitivity post-colonial African states have towards apartheid imposes barriers for free access, especially to West African markets. Nigeria, the new oil giant, gives proof of this attitude. As was pointed out above, with the exception of extractive capital, the wholehearted support of the settler regimes is disfunctional even in the middle run. Only after decolonization will there be a possibility to connect the highly industrialized south with Central Africa. The preconditions are more than favourable. Infrastructural links are already existent — Cabora Bassa, Kariba and Cunene are important energy sources for South Africa and Rhodesia, which, lacking hydro-energy, have to switch to expensive thermal energy. More important will be the identity of capital: the same mining, manufacturing and finance corporations controlling the settler economies have erected or re-erected their spheres of influence in the post-colonial states. The international finance agencies such as IMF and the World Bank which are exclusively controlled by the metropoles are heavily in these states which lack sufficient funds to even consolidate their underdeveloped economies. On the other hand, the European Community has already signed bilateral trade agreements with these states.

In the foreseeable future the economic linkages will be intensified which would further work in the direction of a common southern African market. Present evidence suggests that the South African initiative will fail to achieve this target via the policies of detente and dialogue. It will therefore be the corporate action of the metropolitan powers to realize it. At the present, however, the settlers who defend apartheid still have the political capability to block any solution which does not suit their ambitions. Due to the system of oppression and ethnically-defined exploitation, no indigenous class has emerged which might function as an imperialist lieutenant. Soweto clearly demonstrated that the hopes which had been raised with the small African elite have gone. Internal reforms inside the colonial state apparatus are now seen as the only solution — a solution which can only be prepared by the most reactionary Boer faction which sees its economic future at bay. World market recession, a shrinking outlet for their commodities, a drastic increase of commodities imported, deficits of the trade and capital balances will eventually outweigh the advantages stemming from the high gold price and cheap African labour. Even for them, a moderate decolonization combined with a common regional market has more advantages to offer than the present scenario. With Rhodesia, the same political mechanisms were more overt. With the existence of a powerful and mass-rooted liberation movement the manoeuvrability of the colonial state at the end of 1979 became elusive. The future task of the Mugabe government is to continue the force for national liberation with national reconstruction. What imperialism intends to
achieve is not the smashing of the liberation struggle, but the prevention of the emergence of a socialist infrastructure inside the liberated areas, an infrastructure which might not necessitate a world market connection. The imperialist perspective lies in the acceptance of the intensification of regional capital accumulation, which Mugabe, prior to February 1980, was hampered with the existence of still dominant colonial classes. Settler-controlled colonial economies were functional as long as the metropolitan processes of accumulation were geared to absorb mainly raw materials.

Given the organic linkage between corporations the actual trend of world-scale accumulation is based on industrial processing and profit realization as well. Southern Africa was an outstanding region in respect of other peripheral regions in the odd metropolitan division of labour. Even the historical asset, cheap and abundant labour, is no longer as important: the free production zones of the Far East (Singapore, Hong Kong, Taiwan, South Korea) offer better conditions in a politically more stable climate. The rapid technological advances will render the dependence on raw materials less severe. The only option South Africa, in particular, has is to modify its political superstructure if the ruling colonial classes intend to maintain their place within the world market scenario. Otherwise it will be outdated and bypassed under the mechanisms of international competition. From the side of capital it has no moral obligation to stick to South Africa if, e.g. Nigeria offers better conditions and higher profitability. The declining role South Africa plays in the context of the world market, means (i) that the mutual political relations with the metropolis will diminish; (ii) that the system of state subvention and state capitalism cannot be maintained at the given level and (iii) that the extensive apparatus of repression and counter-insurgency will lose part of its effectiveness.

Imminent capitalist contradictions will urge the South African settlers to reform their system. The main contradiction is no longer free wage labour versus apartheid but peripheral South Africa versus the conditions of internationalized accumulation. Although previous issues of the Review on southern Africa have addressed this change, much of the conventional literature leads politically in the wrong direction. South Africa is mainly analyzed in the context of internal accumulation — where foreign capital was interpreted as important in exploiting the favourable social conditions. But a different point of view on the basis of internationalized accumulation, reveals that peripheral South Africa is part of a global system in which it faces sharp competition with countries offering better conditions, even in the once-unchallenged field of surplus value extortion. In short, the contradictions between metropolitan bourgeoisie and the settlers constitute the decisive parameter and here the lever works which ultimately leads to change on the level of immanent, internal contradictions. Having achieved the political transformation for which the objective basis is more than favourable, as the settlers are not denied their right to stay in post-colonial South Africa (which obviously means maintenance of a revised form of the capitalist mode of production), the great design of a regional, unlimited accumulation will become reality. Given the South African mineral wealth, the cheap energy sources, the regional infrastructure and the implanted industrial technology, a southern African common market which would be moulded on the basis of a greatly expanded consumer market, will take on contours where South African-based capital can find a sphere of accumulation protected against world market competition. For the multinational corporations large-scale production which is now
hindered by the political constraints of internal apartheid and external isolation will emerge. The idea of a common market had its forerunners in other parts of the global periphery, e.g. Brazil, Indonesia, Malaysia and West Africa. With a large domestic market, international competition will not be partly excluded. The main obstacle to this design lays on the political level, whereas economically there is no other option possible.

When the Nixon-administration presented the concept of regionalization it had objectively this economic model in mind: a powerful indigenous capital-oriented class, be it state-run or private, has the economic funds to manage to run its sphere of influence politically and militarily. Due to the structures of international accumulation, metropolitan capital still exercises control. As the international conditions of accumulation changed from a polarized world of raw material supplies, i.e. the periphery, and the heavy industrialized metropoli, to a world where production and realization are internationalized, i.e. export of industrial plants and establishment of domestic markets with only the profit and new technology exclusively concentrated in the metropoli. The new technology implies an ever increasing amount of constant capital which necessitates an ever increasing domestic market which under the present political conditions of a 'balkanized' post-colonial Africa means regionalization.

As long as metropolitan capital unilaterally depended on southern African mineral resources and cheap labour, the colonial regimes had the possibility to put pressure on the metropoli while dictating to them their political options. This scenario changed, however, and the present situation is characterized by the imminent necessity to accept modifications or to decline.

The strategy of the US, having successfully substituted for the former colonial metropolis, the UK, is clear-cut:

i. The United Kingdom lacks the political and economic capability to see through a change of the status quo: South Africa constitutes still the most important field of accumulation, any change will touch the international competitiveness of British capital if stripped of their sphere of superaccumulation. The argument that with the loss of the South African connection, British jobs are affected imposes a strict defensive posture on the Labour Party, therefore the British South African policy is severely limited and even misses reformist elements.

ii. The US is not confronted with these problems, she will open up new spheres of accumulation to her capital which only a common regional market can secure; therefore domestic opposition is weak and centres around mere ideological aspects.

iii. With the presence of Cuban and Soviet troops in Angola and the failure of the US to lead a regionally supported counter-attack (South Africa, the ethnic movements inside Angola, Zaire, on diplomatical level: Zambia) a stable solution, i.e. to secure the objectively more important countries of South Africa and Zimbabwe must be reached.

iv. Given the domestic condition, i.e. the impact of the MNC's, on US policy-making any acceptable solution must cover the two strategic targets: (a) in the short run the emergence of post-colonial states which in the long run will (b) not object to the economic design.

From this it follows that the liberation struggle which cannot be prevented must
be hindered from harvesting the fruits of its efforts: an independent society with strong links towards the rival superpower. The only option, therefore, was to diplomatize the process of decolonization.

When South Africa in joint co-operation with Zambia failed to settle the Rhodesian conflict in 1975, it became obvious that due to the strength the liberation movements had already achieved at that time, a solution necessitated the US involvement. The liberation movements had gained such a powerful position that their resulting bargaining power by far outreached the compensation and threat South Africa could offer. Except for South Africa and the regime in Salisbury, no political power denied the right of independence; what was at stake was the modality and therewith the post-colonial structures. The diplomatic offense opened by Kissinger in mid-1976 leading to the Geneva conference clearly had this concept in the background. The proposals the US offered as a means to overcome the conflict were not directed against the right of African self-determination, but their unacceptability was caused by the details with which the rights of the settlers should be secured. To safeguard their socio-economic survival was not a matter of ideological prestige and ethnic identification but a clear-cut assessment that with the settlers confined to maintaining only their social influence, the doors for neo-colonial penetration would be opened wide.

In contrast to their South African neighbours, the Rhodesian settlers could with ease withstand imperialist pressures due to the fact that their economy was based on a more primitive level. Although dependent of the access to the world market, the structures of production were oriented towards mono-agricultural production leaving the industrial sphere, manufacturing as well as extraction to international capital. As an agrarian bourgeoisie, the settlers participated at the process of international accumulation mainly in the agrarian sector; the process of internationalized production, i.e. the sharpened international division of labour did not touch them. This implied, on the political level, an attitude that rejected any signs of compromise towards the African majority, and only the successes of the liberation struggle forced the settlers to reach a last minute settlement. The US, on the other hand, has to impose her policy on the same settlers because of the internal social contradictions provoked by the specificity of settler capitalist accumulation. With their economic system of primitive accumulation they excluded all Africans from participation. The social stratification in Rhodesia runs primarily along ethnic lines. An African bourgeoisie is almost non-existent: therefore the adoption of the well-known pattern of decolonization was difficult as an indigenous partner remained elusive.

After the Geneva conference, the African opposition, be it the reunified liberation movement or the various moderate parties, rushed to occupy the centres of state power. The political scenario resembled a dead-lock: The settlers yet undefeated on the battlefield had no chance to win the guerilla war — the liberation movement needed some years for the final victory. Between these antagonistic poles the 'quislings' gained ground (Muzorewa et al.): they seemed to be the only guarantors for a neo-colonial solution as they openly declared not to touch the inherited socio-economic structures. Although their policy suited the US and the other metropolitan powers best, imperialism hesitated to recognize the new Afro-colonial government as it lacked a real basis among the masses. The internal contradiction between colonial oppressors and the liberation front remained valid, only the political cosmetics changed on the surface with Muzorewa as Prime Minister. With not recognizing the Muzorewa regime the metropolis never-
theless had gained another asset: to urge the liberation front to enter into diplomatic talks to reach a solution. Accepting this invitation, as the Patriotic Front did, means to put the only future asset, the newly erected socialist infrastructure, into question and to regard it as a negotiable dead pledge and to sacrifice it for the access to power. The highway leading to a neo-colonial Zimbabwe only needs to be tarred, then. The trap from which the liberation front found it difficult to escape, was the existence of the African puppet government — any intensification of the war could be compensated with more delegation of power to it. Given the settlers’ determination and the conference’s break-down, liberation could not be won by either side — the history of guerilla warfare proves that in most cases an agreement had been reached before the colonial oppressors were completely defeated, cf. Angola, Algeria, Cuba, Mozambique and Vietnam.

Although the Kissinger diplomatic offense continued by Young had not led to concrete results it nevertheless helped, at least indirectly, to bring the small group of African politicians to power. With his declaration of decolonization Kissinger modified the famous tar baby option which implied that the settlers were the most valid allies of the US in southern Africa. His further proposals included a social network guaranteeing at least their economic survival, cf. the so-called Kissinger-fund. More important, however, was that the US abandoned her support for the settlers: decolonization was seen as an irreversible matter of fact. The political aim consequently must be the paying off of the liberation movement. And here the internal tensions looked like helping US policy-making. The resounding electoral triumph of Mugabe’s party, was put paid to these plans — at least for the time being. Yet it should be noted that the new government has had to soft-pedal its socialist principles already lest it antagonises external forces, surprised by Mugabe’s success and suspicious of his intentions. When the political actors involved decided to join the London conference in September 1979 the mere fact constitutes a success of imperialism: If the liberation movement were as strong as it pretended to be, then the acceptance to negotiate decolonization makes little sense. According to the classical strategy of guerilla warfare as has been elaborated by Guevara, the Patriotic Front should have entered the round table only before the decisive battle, the open conventional attack against the colonial army. Despite all rhetoric, this policy seems to indicate that liberation struggle is mainly defined as an act of national liberation. And the related concept of a national-democratic revolution has little chance to lead to a socialist transformation as long as the mechanisms of peripheral capitalism remain intact.

Whatever the outcome of the Zimbabwean denouement, the repercussions on South Africa are insignificant. Not only is the socio-economic structure quite different from the colony to the north, the conditions of decolonization are different as well. Obviously liberation in South Africa is more related to class struggle than to classical guerilla warfare. Under these circumstances, reformism inside the colonial camp will lead to distintegration of parts of the African proletariat and simultaneously will prevent South African capitalism from undergoing a decisive decline in the framework of internationalized accumulation. The Namibia issue can be seen as a sop for the right-wing faction to sweeten the inevitability in South Africa itself.

To assess the US policy towards southern Africa two different levels must
be distinguished: (i) the short-run and (ii) the future prospects. Whereas the economic interest in South Africa especially with respect to minerals is a given fact, this pattern of accumulation cannot be regarded as a datum — the tendencies of internationalized accumulation demonstrate that South Africa has already lost its once outstanding place as field of superprofits. Having substituted for the United Kingdom as the regionally dominating metropole the US has now to contain the recent instability caused by liberation struggle, in order to open up a new sphere of accumulation via the creation of a regional common market. The utmost aim of US policy-making therefore is to prevent the emergence of socialist countries having only a small interest in, and articulation with, the world market. Socialism in the context of peripheral capitalism necessitates the existence of liberated areas where a new autocratic development can take place. The worst of options in the eyes of the US is exactly this outcome; the other fear, that the region might slip under the tutelage of the Soviet Union in fact lacks any real substance. The defensive policy the Soviet Union pursued after Angola, clearly indicates her willingness not to get openly involved in the other southern African conflicts — at a time where she more than ever depends on the US agreement to supply her with foodstuffs and technology. The Soviet Union also needs to limit the economically and socially destructive arms’ race. The movement of Soviet troops into Afghanistan must in this light, be seen a defensive move designed to stabilise the Soviet Union’s borders. That the US has responded by diplomatic fury, probably greater than the Kremlin anticipated, will incline the Soviet Union to greater caution in southern Africa, in case her need for US technology and wheat is more seriously challenged.

With the Zimbabwe issue settled South Africa will become the centre of activities. But here the options for US involvement are much better than north of the Limpopo: the archaic character of the Rhodesian settler economy rendered this colony less vulnerable to metropolitan pressures. South Africa, by contrast, with its highly developed dependent accumulation needs foreign involvement, if only to maintain the conditions of existence of the colonial capitalist class. The vision of a red belt connecting Angola, Namibia, Mocambique and Zimbabwe will remain withful-thinking: not only does the economic reality give evidence for the fact that co-operation is impossible — infrastructure, basic economic structures, different levels of development of the forces of production — but the political reality, too, shows large structural gaps. Even this less probable scenario will not see imperialism on the loser’s side: State controlled economies in an underdeveloped stage still depend on foreign exchange. What this implies history only tells too well.

When the US gave up her earlier disinterest in southern Africa, she obviously acknowledged that decolonization could no longer be prevented. This situation was caused and fostered by the liberation movements which succeeded in driving the colonial forces into a desperate position. After the mid-70s the US, therefore, sought to tame the guerilla forces not with a massive counter-insurgency programme, but with diplomatic and political tactics which stood for a new strategic approach to empire-management. Beneath her now clothing the dirty body of US imperialism is still gleaming. Despite her moderate appearance the US pursues the same targets are before. But as the conditions of international accumulation have changed, so have the methods; and it is doubtful whether southern Africa will succeed in preventing a future neo-colonial solution. Despite the victories the liberation movements have had, the war is not won: decolon-
Bibliographic Note

This paper is the first draft of a current research project on Economic mechanisms of US imperialism after the Second World War. Southern Africa is only analyzed in the global context of internationalized accumulation. The purpose of this paper is more related to the general patterns and strategies the US pursues, than to the regional specificity southern Africa incorporates.


BEHIND THE WAR IN ERITREA

edited by Lionel Cliffe, Basil Davidson and Bereket Habte Selassie

A bitter war rages in Eritrea. For 19 years the population of this territory has been fighting for its freedom. Unlike many other independence movements, the Eritrean peoples have been able not only to initiate far-reaching land reforms, but to administer whole towns and cities for long periods of time. In recent years, the Russians have given powerful support to the Ethiopian army in an attempt to crush free Eritrea. Heavily armed onslaughts by the Ethiopians have all been repulsed.

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Structural Dependence and Decolonisation in a West African Land-Locked State: Niger

Richard Higgott

What does 'dependency' mean in the little studied, land-locked state of Niger? Class formation, the creation of a 'national' bourgeoisie and the nature of the post-colonial state have normally been studied in relation to the larger, more prosperous countries like the Ivory Coast and Kenya. (The discussion of which is further pursued in our Debates section). Here the author examines the differing impact of colonialism on a small country and provides basic information on the workings of the Nigerien state.

Central to the radical debate on underdevelopment in Africa over the latter half of the 1970s has been discussion of the nature of class formation, the role of the post-colonial state and the relationship between them. In this context the debate has focused largely on those states acknowledged as having been widely penetrated by colonialism such as Ivory Coast and Kenya and those states which represent efforts to implement socialist strategies (whatever the variant) such as Tanzania and Lusophone Africa. Two issues regularly acknowledged as inseparable but receiving less attention in this debate are firstly, the differing impact of colonial penetration on different parts of the continent — usually obscured in efforts to formulate broad theory; and secondly, the capabilities or otherwise of some degree of independent policy initiative by Africa's governing classes depending on the aforementioned measure of colonial penetration, the stages of class formation and the strength and autonomy of the state in the post-colonial period.

Questions of some of independent policy initiative have, over the last few years, normally been subsumed within the wider discussion of the prospects, or otherwise, of domestic capital accumulation, industrialization and the growth of some kind of 'national' bourgeoisie capable of some kind of policy initiative not totally dictated by international capital. Such has been the general tenor of recent marxist critiques of dependency; most notably in Bill Warren's general work on the Third World and Colin Leys' specific, later, work on Kenya. It is not, however, the intention of this paper to go over old theoretical ground. Dependency theory has been, and is being modified from its earliest pietistic formulation and the debate it has provoked in studying problems of underdevelopment is recognised as having been indispensible. Rather it is the intention of this paper to pose two questions for treatment in the context of a fairly broad sweep over the recent political history of the little studied, land-locked state of former franco-
phone Africa — Niger. Firstly, to what extent and in what ways did French colonialism create a situation of structural dependence and secondly, to what extent have the relationships created in the colonial period been modified by the decolonisation process? The latter question will address itself specifically to a discussion of the extent to which the governing Parti Progressiste Nigerien (PPN) under Hamani Diori, between 1960 and its overthrow by coup d'état in 1974, formed some kind of dependent/comprador class in its relationship with the international economy on the one hand and its control of the domestic policy on the other.

The questions, of themselves of course, are not particularly original. Similar questions have been asked of many of Africa’s better known — dare one say ‘more fashionable’ — states. It is hoped, however, that their discussion in this paper will be a contribution to the recent debate between what might loosely be described as dependencia and marxist approaches to the study of contemporary African development. Much of the recent literature on Africa has been groping towards some kind of general theoretical formulation on the role of the post-colonial state and the nature of class formation. The debate is obviously in an uncertain state, and some of the literature is clearly more theological than analytical, especially in the often expressed assumption that domestic policy is totally subordinate to external dependence. To ask, therefore, if Niger is a neo-colonial state, or to ask does it exhibit characteristics of a dependency model, is to ask several questions — not all of which can be answered in the same way or with the same degree of authority. John Dunn, in his introduction to West African States: Failure and Promise, sees a neo-colonial state as

... a state whose state power was fashioned by a colonial ruler to preside over this pattern of producing and trading ... (i.e. as an exporter of primary commodities on what are necessarily largely externally determined terms of trade) ... in such a way as to advantage the national economic interests of the colonial metropolis itself and which was finely enough tuned to this task to find itself carrying on in much the same fashion after independence had come ...

He goes on to suggest that the idea of a neo-colonial state relates to its emphasis on historical continuity, between the colonial period and post-colonial period, of the economic and political administration of the state. It is, therefore, with the issue of continuity that the first half of this paper is concerned.

Continuity: Colonialism and its Legacies

Niger is clearly the product of French colonialism. Colonial rule, in the wider context of Afrique Occidentale Francaise (AOF) defined Niger’s boundaries and shaped the nature of its twentieth century social, economic and political development to create a situation of structural dependence. This dependence was created in two phases, with World War Two as the effective break between them. It has been discussed elsewhere how the pre-World War Two period saw the pacification, control and establishment of a system of colonial administration in Niger as a peripheral territory of AOF; of greater concern here is the post 1945 period.

By 1945, AOF exhibited all the primary characteristics of colonial economic dependence. Foreign trade predominated over domestic trade; raw material exports were exchanged for manufactured goods, with an adverse balance of imports over exports; the deficits resulting from the trading imbalance and the cost of a burdensome colonial administration were borne by cash transfers from
France; French companies were dominant in those sectors of the economy not controlled by the colonial administration; and finally, needless to say, there was little or no domestic capital accumulation in AOF worthy of note. Also by 1945, the individual territories of AOF had taken on a sufficient identity of their own for there to be a distinctly visible and quantifiable gap between the southern or littoral states (Senegal, Guinea, Ivory Coast and Dahomey) and the northern or Sahelian land-locked states of Niger, Upper Volta, Soudan and coastal Mauritania.

The division of AOF was in fact more complicated than the simple littoral state/land-locked state dichotomy. By 1945 a longitudinal, as well as a latitudinal, division based on the Federation’s four major ports and their hinterlands was also firmly established. The four regions, straddling AOF’s four railway lines emanated from the ports of Dakar, Conakry, Abidjan and Contonou to their own hinterlands. Thus the first region was made up of Senegal, Mauritania and the Soudan; the second region consisted of Ivory Coast and Upper Volta; Guinea formed a region on its own and Niger joined Dahomey in making a fourth. While undoubtedly being responsible for much of the economic growth of the region, the railways had the severe impact on the land-locked territories of tying them into an export dominated linear pattern of economic dependence suspended, as they were, at the end of the colonial feeder belts emanating from AOF’s major ports. Niger, for a variety of reasons, in its relationship with Dahomey, was bonded to the weakest of the coastal enclaves and they were both almost completely detached from the economic activity of the rest of the Federation.

Post World War Two French colonial economic policy in the West African region was to accentuate these patterns, especially the process of cumulative inequality between coastal and land-locked territories. A brief examination of the major arm of colonial economic policy, the Fonds des Investissement pour le Développement Economique et Social (FIDES) will serve to illustrate the point. Its priority allocation of funds went into infrastructural development, of which 64 per cent in its first phase (1947-52) and 56 per cent in its second phase (1952-56) went on port and road development in the coastal states. Consequently, AOF’s coastal towns boomed while the hinterland’s traditional economy stagnated. Perhaps of greater significance was the allocation of FIDES resources by geographical area. This disparity in allocation of credits tended to be cumulatively in favour of the coastal areas in as much as they were allocated, on rational economic criteria, to those areas where they could be most productive as far as the colonial administration was concerned.

### Table 1

**FIDES Credits to AOF: 1947-1957 (Millions US $)**

<table>
<thead>
<tr>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senegal</td>
<td>140.5</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>109.0</td>
</tr>
<tr>
<td>Guinea</td>
<td>79.4</td>
</tr>
<tr>
<td>Soudan</td>
<td>78.7</td>
</tr>
<tr>
<td>Dahomey</td>
<td>49.9</td>
</tr>
<tr>
<td>Upper Volta</td>
<td>44.7</td>
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<tr>
<td>Niger</td>
<td>25.2</td>
</tr>
<tr>
<td>Mauritania</td>
<td>15.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>542.5</strong></td>
</tr>
</tbody>
</table>

While colonial investment in infrastructural development surpassed involvement in all other areas, a brief examination of social and productive sector funding establishes a similar pattern of cumulative inequality between coastal and hinterland territories. For example, in the area of education, school enrolment and funding were regularly and uniformly lower, for a variety of reasons, in the inland territories (and Mauritania) than the coastal territories. Taking the extremes of primary school enrolment for 1947, only 2.6 per cent were in attendance in Niger compared to 24.3 per cent in Dahomey. Of total school age enrolments, Niger had a 3.4 per cent enrolment compared with a 12.4 per cent enrolment in Senegal. Similarly with investment in the productive sector, while FIDES did stimulate private investment overall in AOF, it had very little impact on Niger, and the other inland states, when compared to 15,800 in Senegal and 6,300 in Ivory Coast. Again the figure for Niger was the lowest recorded for AOF. Between 1947 and 1956, the increase in capitalisation of private firms in Niger was only 122 million CFA francs compared to 20,661 million CFA francs in Senegal at the other extreme of the range. While not exhaustive, such data tends to support notions of the cumulative nature of distinctions between coastal enclaves and hinterland regions.

At a general level, economic growth in post World War Two AOF increased the structural dependence of these inland territories since this growth was primarily in infrastructural and administrative services which grew some two or three times faster than the material base of the economy. Post war economic development was not geared to creating the capabilities for economic self-sufficiency in the individual territories, yet on the other hand the pattern of development worked against the possibility of any long term prospects for integration using the Federation as a base. The land-locked states did have their economies tied in strongly to their littoral states, but this was due not to an economic complementarity but rather to the outward directed nature of their economies. Indeed the coastal states too faced outward to world markets, not inwards to their hinterlands. The littoral states merely represented a conduit between the land-locked states and the outside world. Further, in Niger’s case, colonial economic specialisation saw it concentrate on groundnuts, and to a lesser extent cotton; products with a low value to weight ratio, which consequently gave Niger a much lower return on its crop than those coastal groundnut growers such as Senegal.

Distinguishing political from economic factors, two further aspects of French colonialism need to be noted as having a significant impact on the subsequent post-colonial structural dependency situation of Niger. The first of these is the creation, and subsequent destruction of AOF as a federation. The creation of AOF was based on no pre-colonial unity, indeed much pre-colonial unity between regions of the Federation was destroyed. Elliott Berg has summed up well the chief raison d'être behind its formation:

For the French, the creation of the Federation was in part an administrative convenience. It enabled them to run overhead coordinating services more cheaply, and it satisfied the French penchant for centralised government. But it was something else too. It was a financial necessity, a pooling device aimed at relieving the charge of administering the poorer territories of the area . . . Its essential purpose was to centralise much of the revenue and expenditure of the territories. Senegal, Dahomey and Guinea would henceforth replace the French Treasury as the source of support of the Soudan, Niger and the other areas of the interior.

It was never part of French colonial policy that territories such as Niger should
become independent economic and political entities. The original French intention had been to link a profitable productive coastal region rich in plantation products to a supposedly populous market in the hinterland. This was the myth on which the foundation of the Federation was based. With minor modifications it existed in its original form between 1902 and 1946. The period from 1946 was, however, to totally reverse initial colonial policy. In contrast to Niger’s economic development, prior to the decentralising Loi-Cadre of 1956, which had been that of a peripheral territory of the wider Federation, political development in the 1945-1956 period ensured that independence came at the territorial, not the federal level. Thus Niger came to independence as a land-locked state that, for reasons outlined, was economically one of the poorest states of Africa to gain independence in the decolonisation period.

Continuity between the pre- and post-independence periods was assured in ways other than Niger merely being a land-locked state having an export dominated primary producing economy. The inheritance elite, the PPN government of Hamani Diori, was one of the smallest, most weakly articulated political elites of francophone Africa. Power in the PPN lay with the thirteen man Politburo which consisted exclusively of minority Western Zerma/Songhay. None of Niger’s majority central and eastern Hausa population, or Tuareg, were ever members of the Politburo, although there was some representation within the wider 40 man central committee of the party. This Western ascendency needs to be explained historically.

Briefly stated, and at the risk of over-simplification, it can be argued that the Western (Zerma/Songhay) pre-colonial society was composed of warriors and slaves; the eastern, or Hausa society consisted of chiefs, peasants, and traders. The fighting of interminable wars against raiding Tuareg and Fulani had seen the western society, at the time of French penetration, reduced to a state of advanced disintegration. The turbulent nineteenth-century history of this region helps to explain the welcome extended to the French, who were seen as potential allies by the Zerma/Songhay. They were more receptive to French influence than the rigidly structured Hausa, and prompt to grasp any benefits colonial rule had to offer especially the opportunity to send their children to French schools. This situation was in part due to the fact that western Niger was always in closer contact with the French, especially after the capital of the territory had been transferred from Zinder in the east to Niamey in 1927. Western ascendancy was further enhanced by the French practice of treating all chiefs as equal, thus reinforcing the position of the weaker traditional rulers of the west at the expense of a reduction in power of the stronger Hausa chiefs of the east. These advantages were turned into political capital by the westerners whose party, the PPN became the party of independence — not, it needs to be noted, without a struggle.

The PPN was, however, never as dominant in Niger as were other territorial branches of the Rassemblement Democratique African (RDA) — most notably the PDG in Guinea and the PDCI in Ivory Coast. It is neither possible or necessary, however, to go into the political history of the immediate decolonisation period (now well documented). It is simply necessary to note that the PPN’s control of the state apparatus at the changeover was tenuously based on an alliance of traditional chiefs and a French administration, both of whom saw the PPN as the most likely guarantor of the existing modus vivendi, especially when
contrasted with Djibo Bakary and the more radical Sawaba alternative. The socialisation experiences and the precarious predicament of the PPN, when coupled with the economic dependence inherited from the colonial period, combined to ensure substantial continuity between the pre- and post-independence periods.

If, as Dunn claims, pre- and post-independence continuity is a the heart of the idea of the neo-colonial state, then the final point that needs to be mentioned here is the manner in which this continuity was institutionalised. Not only Niger, but the state of francophone Africa in general, stand as perhaps the prime example of the perpetuation of historical, cultural and political ties from the colonial period. These states, with the notable exception of Guinea, institutionalised the colonial legacy from France in the now celebrated ‘Accords de Coopération’. Agreements were signed between France and its colonies, on a bilateral basis, in the areas of defence, foreign affairs, cultural cooperation, technical assistance and economic, monetary and financial matters. Membership of the Franc Zone was also carried over from the colonial period. The impact of the cooperation agreements on the post-independence political and economic activity of France’s former colonies has been discussed in sufficient detail elsewhere not to warrant a re-airing here. The major point to note is that if to decolonise a state is to dismantle the politico-administrative, cultural, financial, economic, judicial and educational procedures of the colonial period then clearly, decolonisation in Niger did not accompany the accession to formal political independence.

So far, this essay has tried to suggest that while the incorporation of francophone Africa into the global division of labour during the colonial period was a general phenomenon affecting all territories it did, at a more precise level, affect individual territories, in this case Niger, in different ways. There would appear to be in train a process of cumulative inequality based not only on the land-locked/coastal dichotomy but based also on issues not discussed in this paper such as initial factor endowments (climate, natural resources, population, etc). A region’s endowments and the nature of the colonial policies adopted are clearly related to one another. Simply stated, areas with a greater resource potential and/or favourable geographical position were the areas in which colonial policy was geared to greater economic development, especially in infrastructure and secondary services. This pattern, originating in the colonial period, continued into the first decade after independence. Ivory Coast, Senegal, Gabon and Mauritania, for a combination of reasons ranging over economic development potential, mineral resources and cultural and political affinity, generally fare better within the international economy (particularly with the former colonial power) than do, for example, Mali, Upper Volta, Chad or Niger. It is with this post-colonial continuity and its implications for some of the recent radical literature on the political economy of Africa that the rest of this discussion is concerned.

Continuity and Change: Dependence, and its Modifications, in the Post-Colonial era
The immediate post-independence period saw Niger conforming to a pretty standard pattern in which the ruling PPN elite, though its inheritance of control of the post-colonial state became engaged in a transnational relationship with, primarily French, external values. Indeed preserving the ‘French Connection’ in
areas of technical, political, economic and educational support was to be the major aim of its international relations; along with the not entirely contradictory desire to diversify, or rather increase, the range of international partners. Policy-making in the first fourteen years of Niger's independence was primarily an exercise to improve and strengthen the existing relationship, not to alter it in any fundamental way. The Niger ruling elite was heavily dependent on its external linkages for its status, prestige and power. To this extent we may at this stage of the argument suggest that it exhibited all the characteristics of a pseudo-bourgeoisie, an intendent class, or what is more generally referred to as a comprador or auxiliary bourgeoisie.

While recognizing the confused and inclusive nature of class analysis in Africa, to refer to Niger's ruling elite as being comprador in nature allows us to distinguish it from similar groups in states such as Kenya and Ivory Coast which some, such as Leys and Ake, would argue have the capacity for accumulation and deployment of capital to transform themselves into an, albeit embryonic, indigenous capitalist class. A comprador bourgeoisie may have its economic base within the territorial economy, but it is not, unlike an embryonic national bourgeoisie, involved directly in production by mobilising, deploying or manipulating capital. Rather it is a service class made up of '...intellectuals, bureaucrats and the managers of the coercive apparatus of the state'. Further, while there may be no clearly articulated theory of the state in Africa, it is now commonplace to say that the apparatus of the state has been the major instrument of control of the post-colonial inheritance elites and the 'hinge' between the national and the international economy. To this extent, it does allow us to talk about some kind of bourgeoisie that is reliant on external support and consequently, largely unresponsive to internal inequalities and demands. Despite being one of the poorest states in Africa, the following brief examination of Niger's international relations up to the fall of Hamani Diori's regime in 1974 does, however, demonstrate that while Diori's and the PPN's capacities and expectations may have been much lower than, for example, Houphouet-Boigny's in the Ivory Coast, the successful attraction of foreign interest was the foundation stone of all official decision making. Perhaps an example can illustrate this point.

Niger's inability to generate capital resources on a sustained basis meant that the search for external finances from a variety of sources was central to foreign policy. If Niger's membership of African regional organisations such as the Conseil de l'Entente, the Union Africaine et Malgache (UAM) and later the Organisation Commune Africaine et Malgache (OCAM) can be described as the political arm of foreign policy, then extra-continental relations might be described as the economic arm of foreign policy. Membership of African regional organisations was irrelevant as far as being a source of external finance was concerned. The reality for Diori, as for all African leaders, was that capital had to be sought outside of Africa and primarily on a bilateral basis. The search for public finance helps explain the paramountcy of the continuing relationship with the former colonial power. Such a situation is hardly surprising given the 'enforced bilateralism' of the colonial period which prevented investment other than from colonial power. Niger, like most of the poorer francophone states, was dependent on France in the first decade of independence, not only for public investment, but also for recurrent budgetary support, occasionally to the tune of over 40 per cent of the total bilateral disbursements from France. These funds went towards covering the costs of basic administrative and infrastructural services which had,
prior to 1959, been covered by subsidies from the Federation.

In a not entirely contradictory fashion, financial dependence on France also saw Niger keen to diversify its sources of funding. To this extent a very elaborate, if not grandiose in scale, series of development plans were initiated in order to attract international financial involvement — or as Samir Amin would prefer ‘... projects submitted to the approval of the pay-masters’. Similarly, with the creation of a variety of Société d’Économie Mixte (SEM), Niger was hoping to attract involvement in joint sponsored ventures that were unlikely to attract support without governmental underwriting in some form of parastatal or joint stock company.

These SEM represented one of the major bonds between the dominant group of political and economic leaders within the PPN and the former colonial power. Of Niger’s thirteen largest parastatals in 1969, six had members of the PPN politburo as presidents or director-generals while five had Frenchmen in similar position. The boards of these organisations were dominated by a combination of Frenchmen and senior PPN officials. One man, Boubou Hama, was not only president of the PPN, the overall political controller of Niger’s media, but also president of the Banque de Développement de la République du Niger, the Caisse National de Crédit et de Coopération. Politburo members were also presidents of the Société National des Transports Nigerian and the Société Nigerienne de Commercialisation des Arachides.

These organisations formed the backbone of Niger’s economic infrastructure and were capitalised almost exclusively by Niger and the former colonial power. Indeed, it was not until the creation of the uranium extracting corporation, SOMAIR, in 1968 that Niger attracted any non-French investment of note. Like most African states, Niger found it easier to attract capital, particularly private, in mineral extraction than anything else. Prior to the extraction of uranium, Niger was a very unattractive proposition for private investment — figures for 1967 show it ranking twelfth out of thirteen francophone stakes with only 150 million French Francs worth of private investment compared with Gabon (14,200 million) and Maritania (18,950 million), the major recipients thanks to their extractive industries. Indeed, extractive industries accounted for 53 per cent of all private investment in francophone Africa in the first decade after independence. Uranium extraction is far and away the major capital project in Niger. Over 70 per cent of all public and private investment in Niger in 1970 was in SOMAIR (4,200 out of 5,800 million CFA francs). As can be seen from Table II France held 67 per cent of the stock at incorporation. France also had to give Niger the 10.75 million French francs with which to buy its own 16.75 per cent of equity in SOMAIR.

<table>
<thead>
<tr>
<th>Percentage Distribution of Holdings in the Societe des Mines de l’Air (SOMAIR)</th>
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<tbody>
<tr>
<td>Commission d’Energie Atomique (French)</td>
</tr>
<tr>
<td>Group Pechiney Mokta (French)</td>
</tr>
<tr>
<td>La Compagnie Francaise de minerals d’uranium (French)</td>
</tr>
<tr>
<td>Sub Total (French controlled)</td>
</tr>
<tr>
<td>Government of Niger</td>
</tr>
<tr>
<td>Agip Nucleare (Italy)</td>
</tr>
<tr>
<td>Urangesellschaft (West Germany)</td>
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<tr>
<td>Total</td>
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It was in fact envisaged that all but 10 per cent of Niger's funding for its development plans up to 1974 would come from public sources; further, no self-generated funds were envisaged at all until some surplus revenue became available with the commencement of the export of uranium in 1971. Indeed, throughout the 1960s they still accounted for approximately 30 per cent of all French aid over the decade. At a general level this kind of aid was always more important to the four land-locked states of Mali, Upper Volta, Chad and Niger than to the coastal states. The Achille-Fouald report to the French Economic and Social Council outlined the necessity for such aid well into the 1970s. Although official budgetary support, for recurrent expenditure, to Niger ended in 1969 it was in effect replaced by French contributions to Niger’s Fonds National d’Investissement.

In its efforts to attract overseas finance and greater international involvement in its economy, Niger’s foreign policy in the 1960-1974 period should be seen not as an attempt to eliminate neo-colonial dependence, but rather an effort to reach accommodation with it. In its attempts to encourage this involvement Niger’s ruling elite would appear to exhibit the characteristics of a dependent/comprador bourgeoisie. For want of alternatives its activities, in conjunction with the former colonial power, were channelled into administrative and managerial functions at the state level. This situation was particularly apparent in the establishment of the paratatal SEM and with the, shortly to be discussed, massive French presence throughout the politico-administrative structure of the state. Having said that, however, it seems that certain unequivocal qualifications, are required. As I tried to show in the first section of this paper, blanket generalisations about the impact of colonialism, and its legacies, cannot be made — even in an area which, superficially, would seem as undifferentiated as former franco-phone West Africa. Also untenable is the view held in the late 1960s and early 1970s, that dependency relationships were somehow immutable and allowed little or no option initiative on the part of dependent states. Since dependency is, in part, about external relations, I would like to suggest, in looking at Niger, that while a situation of overall dependence might not have diminished since independence, it has certainly changed in character.

If, for example, we broaden our previous discussion of Niger’s search for public finance to cover aid generally we can see a positive trend in the first decade away from a bilateral dependence on the former colonial power towards a multilateral dependency in the wider European context. While France provided over 76 per cent of Niger’s bilateral aid and nearly 50 per cent of total aid (bilateral and multilateral) during the first decade, the major characteristic of the period was not this preponderance but the growing role of the European Development Fund. Not only did it account for 27 per cent of Niger’s aid in absolute terms, it played an increasing role in Niger’s development funding. By 1970 the EDF (49%) had replaced France (46%) as the major source of investment finance in Niger. By the end of the 1960s, Canada was also playing a growing role in Niger’s aid relationships.

As with aid, then similarly with trade, by the early 1970s although France was still the primary international partner for Niger, an undeniable diversification was taking place within the wider Eurafriican context. While this was a general francophone african phenomenon of the 1960s, Niger’s pattern of trading did not fit uniformly within this general pattern. Some specific data will highlight the complexity of dependency relations even within a specifically sub-regional
context such as francophone West Africa.

In the first decade after independence, French West African exports grew by 185 per cent and imports by 141 per cent, but with a decrease in the role of France as the major trader with the area; exports declining from 59 to 39 per cent and imports from 64 to 52 per cent while francophone imports and exports to the rest of the EEC grew from 8 to 20 per cent and 14 to 28 per cent respectively. As the *Bulletin de l'Afrique Noire* pointed out, these overall figures were above all due to the fact that:

La Côte d'Ivoire, le Gabon, La Mauritanie connaissent des taux de croissance brillants, voire exceptionnels, les économies moins riches en ressources naturelles ou handicapées par leur situation géographique (RCA, Haute-Volta, Niger, Tchad, Mali) enregistrent des évolution moins remarquables.

Ivory Coast's economic domination of former AOF can be gleaned from the fact that between 1960 and 1967 it provided half the area's total trade and also that, unlike most other states of the region, it ran large surplusses on its trading. Its 11.4 billion CFA francs annual surplus for the 1960-1967 period contrasts with an annual average deficit of 21.6 billion CFA for the rest of AOF. Export receipts of the other seven stages managed to cover only 72 per cent of their imports. Senegal, with 24 per cent of the area's total trade in 1967 ranked second to Ivory Coast, while the smaller states, including Niger, accounted for less than a quarter of the whole area's total trade.

During the same period Niger's trade underwent a similar diversification, but not it needs to be stressed of the overall magnitude of the region as a whole. France's share of Niger's imports demonstrated a marked decline throughout the period dropping to 43 per cent in 1971, but it still accounted, however, for over half of all Niger's imports in the first decade of independence. The decrease in France's share of Niger's import trade has been more than offset by the increase in the share of the EEC which rose from under 6 per cent in 1961 to 17 per cent in 1971. The decline in Niger's regional imports has meant the overall pattern of Niger's imports between 1960 and 1971 has been one of diversification away from France not, however, towards her African neighbours, but within the wider European context of the EEC.

France still took the lion's share of Niger's exports, varying from a high of 77.6 per cent in 1969 (85% in 59) to a low of 46.7 per cent in 1970 and averaging 61 per cent of Niger's exports for the the eleven year period. The EEC's share of Niger's exports in this same period grew from a negligible .05 per cent in 1961 to 5.3 per cent in 1971 and averaged 5 per cent for the period. Ahead of the EEC was Niger's second major export partner, Nigeria, which took a fifth of Niger's exports during this period, if an allowance is made for 1967 when the civil war reduced the amount to half its normal size.

The figures bear out the earlier argument of this section that Niger's post-independence export pattern did not fit the overall export pattern for francophone Africa. Niger's exports to France did not decline as rapidly as the norm. In the regional sense, the states that demonstrated the greatest ability to diversify their exports were the powerful states such as Ivory Coast which registered 61 per cent of its exports in 1971 outside of the Franc Zone compared with Niger's 40 per cent and states such as Mauritania, with its valuable mineral resources which registered 71 per cent. Mali and Upper Volta, as other poor land-locked states, also had low recorded non-Franc Zone exports with 37 per cent and 34
per cent respectively.

Niger’s trade figures during the first decade indicate that it has been more successful in diversifying its sources of imports than in achieving new markets for its exports and, despite the multilateralization of the European relationship, France still overwhelmingly remained Niger’s dominant partner. Further, only once, in 1970, did the relationship with France not register a deficit on trading for Niger. The data on Niger’s trade would not support that genre of dependency literature which argues that a lack of change or indeed of firming of relationships is the major characteristic of metropolis-colony interaction. Further, exhaustive efforts to obtain data specifically on Niger from all possible sources and a recognition of the problems of validity of such data suggests the highly speculative nature of some of the recent attempts to test dependency theory ‘empirically’ using United Nations, IMF or other forms of aggregate data.

Other aspects of Niger’s post-independence foreign relations give further support to the notion of diversification away from the former colonial power. Of particular interest was Hamani Diori’s growing opposition to French policy stances on matters affecting the West African sub-region. The major example is, of course, France and Niger’s conflicting stance on the Nigerian civil war. The positive role that Diori played in support of the Federal cause brought him into sharp conflict with the former colonial power. Similar, though less overt, dissatisfaction accompanied Diori’s lukewarm attitude towards efforts to create the Communauté Économique d’Afrique Occidentale (CEAO) in the early 1970s despite Pompidou’s openly expressed enthusiasm for the organisation. But events reflect, of course, the recognition by Niger of the growing influence its southern littoral neighbour was to have over it as the colonial period receded. It is no accident that the growing sub-regional power of Nigeria in the period of post-war reconstruction made Diori perhaps the francophone leader keenest to break down the language barrier in West African regional organisation.

A further issue that distanced the Niger policy-makers from their counterparts in Paris was Niger’s growing relationship with Canada in the late 1960s and early 1970s — a period when Franco-Canada relations were severely strained. Particularly galling to France was Niger’s support for the Canadian conception of la Francophonie in opposition to France’s view at the 1969 Niamey conference. Given such policy actions we need to show a more general caution before ruling out a range, albeit limited, of policy options for bottom rung states. There would appear to be a greater flexibility of policy options open, other than links with the former colonial power, than is often suggested in some of the more piestistic literature of a dependency genre.

Niger’s foreign policy in the period from 1970 to the overthrow of Hamani Diori in 1974 was further characterized by an increasing spirit in its attitude towards France; especially in its call, along with other francophone states, for a renegotiation of the cooperation agreements and an improved price for its uranium. These policy initiatives and the strained relationships between Niger and France in the last years of Diori’s regime do not constitute a total independence of action from the metropolitan power by the former colony. Indeed, Diori was removed before he had succeeded in obtaining either new accords or a new uranium price. Franco-Niger relations between 1970 and 1974 in fact show how difficult it was for a first generation independence regime, such as Hamani Diori’s with all the trappings of its colonial heritage, to alter substantially its
relationship with the former colonial power.

This view would appear to be reinforced when we move beyond the concrete manifestations of trade, investment and financial involvement to some of the greyer, less quantifiable manifestations of dependency. If dependency is a ‘syndrome’, rather than a set of variable open to empirical testing then socio-cultural aspects of dependency need as much consideration as such things as financial aid and trade. For example, the political socialisation of members of francophone Africa’s ruling elite into a political culture with strong French influence should not be underestimated. The necessity of speaking French in order to enter the elite, especially for aspirants to political or administrative office, is so obvious that it is often overlooked.

A similarly grey area is the continued influence of French personnel in its former colonies. Niger, more than most states, with the possible exceptions of Chad and Upper Volta, still relied heavily on France for technical cooperation personnel in areas other than just teaching. By 1970, while less than 25 per cent of French ‘coopérents’ in Ivory Coast were in areas other than education, over 50 per cent of French technical assistants were in non-teaching areas in Niger. This amounted to over 260 individuals scattered throughout Niger’s administration, plus those Frenchmen operating in a non-French government aid capacity. Of the 87 members of staff of the Presidency in 1971 approximately 50 were French; included among these was the director of President’s cabinet staff, Nicholas Leca – Diori’s ‘Bob Haldeman’ and part of the small group of Diori’s closest advisers known around Niamey as the ‘Corsican Mafia’.

Implicit in the provisions of such data is the assumption that a large number of expatriate personnel is a manifestation of dependence. Whilst such an assumption would not appear unreasonable, it has to be acknowledged that quantification of the influence cannot be made. It is possible only to allude to the closeness of the relationship between Diori and his advisers and perhaps point to certain pieces of circumstantial evidence. For example, France itself felt technical assistance in the form of personnel was a more profitable way to preserve its influence in its former colonies than by providing capital for development — a task it was prepared, more and more throughout the 1970s, to pass over to the EDF. Further circumstantial evidence related to the extremely strong feelings, held within certain sections of the Niamey community, towards the French, or rather Corsican, clique that surrounded the President. It was a common allegation during Diori’s last years that he preferred French advisers to local Nigeriens on the grounds that they presented no direct political threat.

In contrast to this close group that surrounded the President, French personnel, especially short term contract technical assistants must not be seen purely as ‘agents of imperialism’ operating as support staff for a comprador bourgeoisie. Indeed, Diori objected to many of the young French ‘coopérents’ whom he believed to be young radicals encouraging unrest and opposition to his regime within the ranks of Nigerien youth. These kinds of linkages enjoyed by Diori and senior members of the PPN with expatriate personnel from the former metropole are peculiar to Africa’s first generation political elites. Succeeding generations will not have had the socializational experiences of colonial rule, or participation in the French parliament as did Hamani Diori or other francophone leaders such as Houphouet-Boigny or Senghor.
Generational change is, of course, not the only kind of change likely to affect the position of dependent states — either positively or negatively. Changes in the international environment are also likely to occur, with a variety of implications for these states. By way of example, we can point to three specific factors which, cumulatively, were to affect Niger's status in the international, or more specifically regional, arena in the latter years of Diori's regime; firstly, the radicalisation of the north-south relationship; secondly, changes in the general nature of franco-African relations in the post-Gaullist (in effect post-Pompidou) era — of particular importance in this context was the declining role of the francophone regional organizations, especially OCAM which had been of such importance in Niger's foreign relations, and the subsequent rise of the wider Economic Organisation of West African States (ECOWAS); thirdly, the widening of the Eurafican relationship with the accession of anglophone African states to associate membership of the European community.

All three issues raise questions for the nature of metropolitan — colony relationships in the post-colonial period which can perhaps be illustrated from the rise and demise of OCAM. In its earlier form of UAM, OCAM's raison d'etre had been primarily defensive. At a general level, its members were new states in search of a role in international affairs and required to formulate and operate foreign policies for the first time. Yet it UAM was meant to be a manifestation of its members' new found independence, in reality, the result was to be the opposite. Given the important influence of France on the creation of the organization, UAM appeared to be little more than a manifestation of continuing dependence on the former colonial power. At a more specific level, UAM and subsequently OCAM was seen by Hamani Diori as a way of bolstering his regime against externally based Sawaba subversion. The Nigerien leader was, however, no different to other leaders of newly-independent African states in the emphasis he placed on regime maintenance. This emphasis was always more important than the supposed spill-over economic effects that UAM, OCAM and also the Conseil de l'Entente were supposed to have. It is important to note that organizational cooperation was not a way of moving to some form of supra-national economic organisation, but rather a way of affirming the identity and sovereignty of the new state. In this respect, OCAM was of greater importance to Niger in practical terms than the OAU. While the OAU might have given theoretical support to the concept of national sovereignty in its early years, OCAM gave Diori much firmer diplomatic support in his efforts to check Sawaba.

UAM and OCAM were, of course, products of the immediate historical circumstances of post-independence Africa, and their decline must be explained in similar historical fashion. Affirming the sovereignty of the state in the international arena is now no longer the vital issue it seemed in the first half of the 1960s. Africa's political elites very soon saw the necessity of accepting the existing colonial boundaries. Further, while the main problem for political elites in francophone Africa, as in Africa generally, may still be how to consolidate and expand their political authority, ideas on how to secure the regime have changed somewhat from the 1960s. Protection within francophone groupings does not have the significance at the end of the 1970s that it had for the first generation of francophone elites who inherited power from France. To this degree, one specific manifestation of dependency has certainly been modified since independent.
Concluding Remarks

It would have been fairly easy in this paper, using the data in selective fashion, to assert either that Niger's recent political history provided support for or detracted from a dependence model of underdevelopment. Such an exercise, however, would undoubtedly have done harm to the complexity of reality. Instead this paper has provided an eclectic, some might argue disjointed, body of evidence of both an historical and statistical nature pertaining to the political economy of contemporary Niger. By way of conclusion, therefore, it is necessary to pose questions of both a practical and theoretical nature. Firstly how do we bring much of this eclectic data together and what are we trying to do with it? Secondly, what does this data contribute, if anything, to the recent theoretical debates on the political economy of African underdevelopment?

At the practical level this paper has been at pains to emphasise three, things: firstly, the universal, but differential impact of French colonialism in West Africa; secondly, continuity between the colonial and post-colonial period; thirdly and not necessarily paradoxically, decolonisation, in the nominal sense of the granting of formal political independence has made a difference to Niger's position in the world's international economy — or at least those sectors of it with which Niger has direct contact. Specific attention focused on how the dependency situation created in the colonial period, and discussed in part one of the paper, dictated behaviour in the post-colonial period in the dominant policy area — namely international economic relations, discussed in part two. It was, however, noted that as the colonial era receded, diversification and the possibility for some kind of semi-independent initiative on the part of Diori's regime did emerge — albeit within the overall dependency relationship.

At a more general level it is possible to situate our empirical discussion within a broader theoretical context. While the post-colonial state plays a similar role to that of the colonial state, as much of the literature argues; it does, nevertheless, allow the inheritors of power, such as Hamani Diori and his dominant PPN elite, a freedom of manoeuvre not possessed in the last days of colonial rule. Further, accepting that those who have power are, of course, extremely likely to seek to enlarge it we can expect power holders to use the apparatus of the state to this end; especially in a new, weak state such as Niger where structural dependence, and the lack of local alternatives, has prevented the emergence of a dominant bourgeoisie with a power base in the domestic ownership of the means of production. It is not unreasonable in the Niger context to posit a theory of a state — for — itself. The socio-political and economic contexts outlined are appropriate for such a discussion. There was in Niger, under Hamani Diori's regime between 1960 and 1974, both inflation and conflation of executive power in the state — a process accompanied by the atrophy of the PPN as a political party (which cannot be discussed here) — and which gave the state a degree of autonomy, or at least made in unresponsive to the demands of the rest of Niger's (albeit small) political community group within the PPN (the Zerma/Songhay Politburo) had a greater autonomy from domestic constraints than it did from the influence of the international environment — specifically the influences of its inherited set of relationships with the former colonial power.

The state in Niger in the period under review did not represent an economically dominant class in the classical marxist sense. Without suggesting the existence of a state independent from class contexts it makes more sense, however to see the
state in Niger as a hinge between international and domestic arenas, which was used by the holders of state power to foster their own interests and those of their families and clients. In this context, Shivji's notions of a bureaucratic bourgeoisie existing in some kind of comprador relationship with international (primarily French) actors does have relevance, despite the acknowledged criticisms of his work in the East African context. For example, the creation of Niger's joint stock companies the Société d'Economie Mixte, have to be seen in spatial and temporal contexts. Unlike Kenya, Niger at independence inherited no significant parastatals geared to attracting capital and technology. While there were some rudimentary organisations inherited from the colonial period which were the forerunners of several of the SEM, most were created from scratch in the post-colonial period. They were to become, at one and the same time, the channels for state participation in the production process, the essential means of attracting foreign capital and the means by which the dominant group within the PPN improved its control over the economic activity of Niger. This having been said, however, it would be a complete misnomer to assume the growth of relations of production in Niger comparable to those in states like Ivory Coast or Kenya, and particularly in areas such as manufacturing. Indeed Niger's two major areas of economic activity were firstly, groundnut production throughout the 1960s; an enterprise continually in need of French, and later EEC, price support, and subject to all sorts of physical constraints—especially the Sahelian drought of the later 1960s and early 1970s which virtually decimated the industry.

Niger's second, and now predominant, arena of economic activity is uranium extraction which, despite its inception in the late 1960s, only received a real boost in the wake of the post 1973 energy crisis. Indeed, groundnut production accounted for 65 per cent of all Niger's very feeble external revenue during the first decade of independence. As of 1976, however, uranium was accounting for the same percentage but of a larger absolute volume. Niger's budget has more than quadrupled from 12.5 billion CFA francs in 1970-71 to 56.8 billion CFA francs in 1978-79.

While this revenue bonanza makes Niger more solvent, and able to overcome some of the distress of the drought period of the early 1970s it also ties it much more firmly into a dependency situation within the world economy. Uranium development has only been possible with the input of international capital and is still largely constrained by France (French exploration and control of the development of Niger's uranium industry is, however, another story!) While some, such as Leys in his recent work, can argue very persuasively that Kenyan development is 'not explicable from the standpoint of dependency' such is not necessarily the case for a state such as Niger—at least at this juncture in time. As this brief examination of Niger has tried to show, the political and economic development of Niger, in both spatial and temporal terms, is both quantitatively and qualitively different than that of say Kenya, or perhaps more relevantly in the francophone context, Ivory Coast or Gabon.

Bibliographic Note
An earlier version of this paper was read at the Australian African Studies Association Conference, Australian National University, Canberra, November 1979. The basic secondary source from which the material is extracted is my PhD thesis Colonial Origins and Environmental Influences on the Politics of a Land-Locked State: The Case of Niger, (Centre of West African Studies, University of Birmingham, 1979). Since Niger is one of the least


The primary statistical data on Niger is drawn from a variety of published and unpublished governments documents and periodical reports. Of the materials most readily available the most useful are: *Dossiers d’Information Économique (Niger)*, (Paris Secretariat d’Etat aux Affaires (Paris, Banque Centrale des Etats de l’Afrique Occidentale) and the *Bulletin de l’Afrique Noire*, (Paris).


Agricultural Projects and Land in Northern Nigeria

Tina Wallace

A great proportion of government budgets and foreign exchange is going into two kinds of projects supposed to benefit ordinary peasant farmers. In practice they do anything but. Many are resettled and in the process lose some of their acreage, or the use of it for a couple of seasons, or the most fertile portions, or their trees, their houses, or access to water or firewood. Others downstream of the schemes have lost the annual flooding that made their land fertile. Even those on the irrigated plots often cannot afford the extra costs of this new commercial farming and rent out their land or sell it. In these ways, secondary changes, in land tenure, entrench capitalist farming, which in fact benefits only those with the cash, the larger holdings or the preferential loans to make it profitable.

Land is always one of the fundamental means of production in agriculture, and in peasant agriculture it is the mainstay of life. Land in Hausa society has long been held by individuals and families, and has been subject to transfer by sale, inheritance, pledge and renting since the commercialization of agriculture though the imposition of cash crops such as cotton and groundnuts under the British. The growing of crops for the urban and export market has greatly changed land use and the value of land over this century and it has become increasingly individually owned and controlled. This process has been accelerated in the 1970s by, for example, the introduction of agricultural projects in the north particularly the irrigation schemes and the World Bank projects and by the rapid expansion of the urban areas (c.f. Lubeck’s article on Kano in No.12 of this Review).

There are three multi-million Naira irrigation schemes under construction: the South Chad Irrigation Project in Borno State, the Kano River Project in Kano State and the Sokoto-Rima Basin Project in Sokoto. They are funded by the Federal Government and built under contract by foreign consultancies. They involve costly construction and heavy machinery to create dry season, irrigated farming. In contrast, the World Bank projects, of which there are three running in Sokoto, Banchi and Kaduna States, are funded by World Bank loans, State and Federal Government and focus on improving wet season agricultural output by supplying seeds, fertilizers, pesticides to farmers within their existing farming system.

While the two approaches to modernizing agriculture an increasing output are
thus very different in concept and design, I would argue that they both have a significant, and at times similar, impact on land. Both approaches alter the land use patterns and thus the relationship the farmer has to his land. They raise the market value of land and thus the distribution and ownership of land. Because these projects absorb a giant proportion of the agricultural budget, and cover significant acreages they have key effects on rural transformation in parts of many of the northern states. For example, in Kano State the Hedejia Juma'are River Basin Development Authority is responsible for, among other projects, the Kano River Project Phase I which is planned to be 44,000 acres in size, and for the building of the Tiga Dam. Phase II of the project will cover a further 56,000 acres and necessitates the building of the Chellawa dam at an estimated cost of Naira 36 million, (\(\text{N1} = \£0.80p\)).

The World Bank projects with their Integrated Rural Development package of feeder roads, farm supply centres, agricultural inputs and extension workers cost between \(\text{N}35\) and \(\text{N}50\) million per project. At present the three existing projects in Gombe (Bauchi), Funtua (Kaduna) and Gusau (Sokoto) cover limited areas. But now the project areas are to be expanded to cover all the farmers in each of these three states at a cost of several hundred million Naira. By 1981 it is planned that eleven out of the nineteen states in Nigeria will have World Bank projects. Later in the 1980s all except one or two states will be covered by these projects.

The irrigation schemes and World Bank projects absorb the bulk of the financial and manpower resources of the Federal and State Governments allocated to agriculture. The World Bank projects involve extensive foreign loans, and both involve dependency on imported machinery, expertise and agricultural inputs such as fertilizer, pesticides, new seeds. The stated intention behind all these projects is to improve the plight of the small farmer, to enable him to increase production on his land and thus be able to sell more crops and so increase his income and thus his welfare. The enormous expense, locally and abroad, is justified in terms of the benefits to the small farmer and to Nigeria from boosting food production. The World Bank for example boasts of one project that jobs and a high standard of living will be guaranteed to a population of 70,000; of another that: ‘the project’s principal direct benefit would be the incremental increase in farm production that it would generate, and which would result directly in higher incomes for some 32,000 farm farmers.’ Of irrigation it is claimed that it ‘will in fact cause an increase in employment . . . double cropping will eliminate unemployment and seasonal irrigation.’ But what is actually happening to the farmer and his land under the impact of these projects?

**LAND TENURE ON IRRIGATION SCHEMES**

The projects affect land tenure in many different ways. I look at the most direct impact of change imposed by the introduction of irrigation schemes: that on land tenure. Later I look at the changes in land use brought about by irrigation and World Bank projects and the resulting changes in the value of land both to the farmer and on the market, and the effects this in turn is having on land tenure. Two irrigation schemes will be used to understand the impact on land of these schemes: Bakalori under the Sokoto-Rima Basin Development Authority based at Talata Mafara in Sokoto State, and Kano River Project based at Kadawa, Kano State.
The Resettled

The first visible effect of these schemes has been the building of two huge dams, flooding out thousands of people. In both schemes the relevant Authority decided that all those farmers who were to be displaced by the dam would not receive financial compensation for their land and houses, but instead would get a house and land for land. By February 1980 one third of the Bakalori farmers still had not received their compensation in kind. Money was given only for economic trees in Kano; no compensation was given for trees at Bakalori. At Tiga dam about 13,000 people were uprooted from their homes and resettled on barren land, far from water, dependent on tankers to provide even daily drinking water. They lost rich fertile *fadama* land (land that is flooded by the river and often farmed all year round) and were placed on poor lands, bundled into seven villages. Jacob Voh undertook a study of this population and his final results are not yet available, but preliminary findings showed that those who moved to the resettlement villages faced serious problems with water shortages and infertile land, and the evidence is that many people left the area altogether.

Tiga dam was constructed in the early 1970s; several years later the Bakalori dam was ready to be flooded. In this case at least 15,000 people were to be resettled from the dam area in 1977. Already in 1975 talks were underway with the District Head of Maradun, with the local populations, Hausa and Fulani, concerning where they would like to move, the allocation of new land and the designs for new houses. The minutes of a meeting held in September 1975 recount that the Chairman of Resettlement Co-ordinating Sub-committee ‘informed the gathering of the villagers affected . . . he told them that permanent cement houses would be built for them in the resettlement areas and new farms would be provided and allocated to them. He warned that nobody should go to the areas chosen for resettlement and start clearing land for new farms in anticipation of the Authorities programmes for resettlement’. However, by 1977 the new New Nigerian Development Corporation Corporation had constructed no alternative housing, improved or otherwise, no land was cleared or apparently even available for new farmland.

Imagine for a minute a large thriving Hausa district headquarters, an old walled town, a trading centre. The streets are lined with heavy shade trees, goats and sheep wander the town. Some large mud buildings strike the visitor: the courthouse, the mosque, the council buildings. Maradun was a well populated town, centre of trade and commerce, located in the midst of good agricultural land near to the Sokoto river. That was 1977. In 1980 the picture is very different. Not far from the walls of the sophisticated, elaborate engineering of the Bakalori dam, expensively constructed out of imported materials according to Italian designs, is a new town, New Maradun. The town is signalled by rows and rows of corrugated roofs in straight lines. Underneath the roofs, square mud houses stand in serried ranks under the glare of the sun. No trees shade the houses, no bushes grace the area. The light is harsh; the land stands open, unprotected. Few animals are to be seen, few vehicles come along the one road to the town, though it is market day. Every third house stands empty, some have lost their roofs already, the walls are crumbling, empty windows stare blankly at the intruder. Here there is only one central watering place, a dirty pool fed by a pump on the river. Those who live on the outskirts of this straggling settlement must walk three kilometers to reach this pond.

Here there is no *fadama*. Here there is no farm land. It is three years since the
dam was flooded yet the people of New Maradun have not been allocated any new farms. A few farmers still have land near the old town, but to reach it they must take a canoe and they cannot afford the fare. This is an agricultural community with no land. The faces of the people show the signs of their suffering. They have sold their livestock to buy grain, many have migrated to Sokoto, Kaduna, Minna to be casual labourers, a few lucky ones work for the contractors on the scheme. An old man slowly shakes his head and counts his beads, ‘Only God cares for the people of Maradun’.

The Scheme is only now providing land for these people — a N36 million sprinkler-irrigated area of 2,100 hectares. Jankarawa is a barren wasteland where no-one has ever farmed even though there is a history of land pressure in this densely populated area. The land is rocky, the contractors use dynamite to blast the rocks to lay the pipes. Where there is soil it is thick clay, difficult to drain. The farmers say they cannot farm there, the British consultants are unsure whether it is a viable agricultural area. The sprinkler project will remunerate the Italian contractors, but may not provide the people of New Maradun with a means of livelihood.

Several thousand more farmers have been resettled both from the Kano River Project and the Bakalori Project to make way for the building of the staff headquarters, for pilot government farms. The plight of these people has been similarly disturbing. And there are many more being pushed off their land onto smaller plots, or on to poor farmland, or forced off the land entirely and into towns to find an economic niche. The lessons of the hardships imposed by resettlement and the resulting pauperization of families have not been learnt, and right now the people in the new Federal Capital Area in Abuja are being bundled off their land onto unprepared plots, two hectares in size. Urban expansion, the building of dams and irrigation schemes, the new Federal Capital, the new Universities like Bayero in Kano, the expanding of local government headquarters, new state seed farms, are all pushing significant numbers of Hausa farmers into marginal farming areas, depriving them of land and causing many of them to turn to urban migration to seek a way of surviving.

These people are definitely losers, and no-one pretends they are to benefit from the projects designed to help the ‘small farmer’. Their housing is often worse than before, their farm land poorer; they have lost their economic trees for a handful of silver and their nutritional base is thus depleted.* Many sources of income such as henna trees are lost to them. The ‘modernization’ of agriculture is forcing large numbers of Hausa people into non-viable rural situations. But, the planners cry, there must be losers because change is necessary, the peasant farmer must adapt to a new way of life and farming, the future demands the destruction of the old ways. If these are the losers, let us see how things are for the ‘winners’, the farmers who do get land on the irrigation schemes, who stand to benefit and develop as a result of the huge investment of Government money into irrigation — N3,000 an acre.

*Compensation rates for economic trees in no way reflect either the financial nor nutritional value of the trees to the farmer, e.g. for a mango tree the compensation is N200, only N60 for a baobab which is used for human and animal consumption, N90 for a locust bean, only N15 for a henna bush.
Farmers with land on the scheme
While originally there was much discussion about the possibility of taking all the land away from the farmers and running the schemes using tenant farmers, as they do in the Chad River Basin projects, (and this is something the River Basin Authorities still hanker after) this has not in fact happened on the Bakalori or Kano River Projects. Obviously it is much easier to run a Scheme when the Authorities own both the technology and the land, they can then dictate authoritatively to the farmer how to use the land and his labour. If he disobeys, he can be removed from his tenancy. Under such a land tenure system it would be easy for the bureaucracy to impose a 'conveyor belt, command type of management, depending from the farmer a rigid work schedule' (Consultants Report, Nedeco, 1976. Pt.6 Vol.2. p.84).

The political and financial reasons why this did not happen need not concern us here. What has in fact happened so far on both these irrigation schemes is that the land has been reallocated to the original holders of it, after the irrigation structures have been constructed. At present the farmers continue to 'own' this land in practice.

On the Kano River Project, the farmers whose land was affected by the construction of the main canals, roads, reservoirs had their land confiscated and were compensated with a derisory N80 an acre. The rest of the farmers in the irrigable area had their land reallocated to them in rectangular plots, equivalent to their original acreage, minus 10% to allow for the construction of, for example, field canals.

Those who were paid compensation were expected to buy land nearby to replace their lost land, but Nedeco (the Dutch consultants) had misunderstood the land situation in the Kano Close Settled Zone. There was very little land available for sale, and what there was cost far more than N80 and acre. Jacob Baba found that only 8% of a sample of 48 farmers who lost land (110 farms) to the Scheme had been able to purchase new land.¹ Less than 50% had been able to replace their lost land through aró (renting land) or pledge. Similar problems were faced by the farmers interviewed in a town on the project (Chiromawa) who lost land to the Scheme, 113 farmers out of a sample of 307 had lost some farm land, 69 had tried to replace their land through purchase but had failed. Only ten farmers had actually been able to buy plots which replaced their confiscated farmland.

Thus many farmers in the project area were pushed (and continue to be pushed) on to smaller farms. In many cases even the N80 an acre was not actually paid to the farmer who found himself at the mercy of a literate bureaucracy, and the demands of the village head. The farmers of Chiromawa were extremely bitter and upset about the loss of their land, the low compensation and the obvious wheeler-dealing which deprived them in many cases or even the few Naira they were owed.

Some farmers of course received irrigated land, and although they lost 10% of their acreage, they had access to cropping the same land twice a year. The Scheme wanted those on the project to consolidate their many small plots, but so far the farmers have totally refused to do this. While for the management large, consolidated plots are important for easy control and administration, the farmers resist vehemently because the soils are so varied. One plot may be close
to the canal and get adequate water, another may be at the end of a canal and short of water, and as different areas are planted with different crops they prefer a spread of land. Also farms are held under different tenures (individually or family owned, or held in trust, rented, pledged) and subject to different inheritance patterns. The Scheme has not yet faced the issue of what a man with a fixed acreage on the Scheme is to do when he wants to divide the land among his family according to Muslim law. The project wants to consolidate land, inheritance laws fragment it. As will be seen in the second half of this paper the total change in land use on the Scheme had led even many of these farmers who so own irrigated land on the scheme to rent it out or leave it fallow.

At Bakalori a slightly different approach has been taken. No one is paid compensation for land, instead everyone in the area is to be reallocated irrigated land. In order to do this and take land for the building of roads, canals etc., every farmer loses 20-25% of his land holding. This has substantially reduced his acreage, and as the land is already fragmented and held in small plots in that area anyway (there is 0.9 of a plot per man and on average 4 plots to a hectare), this means that the reallocated land is held in tiny plots. Again the Sokoto-Rima Basin Development Authority wanted to impose land consolidation, but there were technical difficulties in identifying all the plots belonging to the same men, and the farmers were uneasy about it, so on 29 December 1979 the General Manager abandoned the attempt declaring it was too difficult to communicate with 'illiterate peasants'.

At Bakalori the land itself has undergone far more dramatic changes than on the Kano River Project. The farmers have seen virtually all the trees removed from their land (for example in an area of 338 ha. the contractors chopped down over 800 out of 1000 economic trees, plus many smaller, non-economic ones). The land has been levelled using sophisticated laser beam technology which has resulted in the fertile top soil blowing away to leave sand. The soil has, temporarily at least, lost much of its fertility. The area already constructed, about 1,800 hectares, closely resembles the Sahara desert — totally flat, not a tree, not a shrub, the wind blowing the sand and dust in a constant harmattan. Tractor drivers wear masks over their faces. Dotted in the midst of this wasteland are small settlements, surrounded by barrenness, cut off by canals. The animal grazing land has been destroyed, the firewood trees chopped down.

The farmers are very disturbed by this and many have so far refused to do any irrigated farming there. Only 1000 hectares out of the 3500 constructed were planted this 1979/80 season, and much of the work was undertaken by Scheme staff. But the farmers have yet more reasons for complaint. During the construction of this project, farmers were told not to plant their land in the wet season, one, two or even three years running. They have been paid no compensation for the temporary loss of their farmland and no compensation in cash or kind for the loss of their crops. Undoubtedly this has forced many farmers into debt and this may be one of the factors which is compelling some farmers to sell their land on the irrigation scheme for very little money. No alternative provision has been made for their cattle now that the bushland has been destroyed. There is no room for village expansion now the tractors have bulldozed the land right up to the existing settlement. No new trees have been planted to provide shade or break up the wind that blows across the flatness.

The depth of the farmers' concern about the total disruption of their land and
homes has been apparent in Nigeria since mid-1979 when there was a farmers riot. Since January 1980 the farmers at Bakalori started to prevent the contractors working on parts of the project area by setting up and running road blocks. Tensions escalated, and in spite of State and Federal attempts to calm the farmers down and buy them off by giving out massive sums of compensation money, by early April farmers had brought all work on the Scheme to a halt. They blocked off key roads in the project area and took control of the dam. Irrigation virtually ceased. The deadlock was broken by force at the end of April when the Federal Government ordered in the police. In the ensuing confrontation many farmers were killed (the official estimate is 19, unofficial estimates are far higher), and villages were burnt to the ground.

Farmers watch their land taken away from them, levelled, altered and they receive back new, smaller plots which have to be farmed all the year round. For a multiplicity of reasons, some of which are discussed below, land on these irrigation Schemes is changing hands, both through temporary renting and outright buying and selling of plots, and it is being used by farmers who have enough cash or labour to take advantage of the new system of all-year-round farming. Unfortunately, neither project as yet keeps records of land transactions and so no accurate data are readily available. But experience on the Kano River Project certainly indicates that Scheme staff particularly have easy access to renting land from farmers on the Scheme. Well-informed men in Kano speculate in land in areas where the Scheme will extend in the future. Large farmers and absentee farmers from Kano, among other places, use the land of smaller farmers in the dry season. At Bakalori men in Talata Mafara, Gusau, Sokoto are buying land from Scheme farmers.

Downstreamers
The third category of people who have had their land situation altered by the building of dams and irrigation schemes are those who live along the banks of the affected rivers. In the past these rivers flooded every year and created dry season farm land. This flood water also filled the wells for cattle and human consumption. The farmers living downstream of these dams have now lost their dry season farms, as the dam prevents the river flooding in the wet season. The implications of this loss were not taken into account before the schemes were constructed and only now has the possible significance of their plight been seen. The farmers on the Kano River have lost their dry season farming and fishing and face severe loss of income. Those further along in the Hadjia valley have had their life style totally altered. From an area producing food surplus in the dry season it has become one of outmigration and hunger. These people have received no compensation from the Government for their loss, nor do they get any benefits potentially accruing from the Scheme — access to new information, agricultural inputs, new roads, etc. These people far outnumber those involved on the irrigation projects. The Bakalori dam has affected 20,000 hectares of fadama land, all of which was highly productive in the wet season, much of which was cultivated in the dry season and which was only occasionally disturbed by serious floods. Yet the Scheme will only create 24-26,000 ha. of irrigated land. By 1980 over N250 million had been spent, resulting in the loss of 20,000 ha. of fadama and a gain of 1,000 ha. newly irrigated land.

Thus the story of the obvious losers is clear for those who want to see. Thousands of farmers in Hausa land are being displaced by schemes supposedly des-
igned to benefit them; hundreds of thousands more are losing their access to dry season farming. Some consultants, Schultz and Nedeco, did warn about the farmers who would suffer and suggested special measures must be taken to help them, but thus far nothing has been done for them at all, either in the way of extra help with agricultural inputs or extension, the building of feeder roads, financial compensation, or the building of new rural industries, supposed to be associated with these schemes, such as flour mills, tomato processing factories.

**CHANGING LAND USE ON WORLD BANK PROJECTS AND IRRIGATION SCHEMES**

World Bank Projects and modern irrigation schemes tackle the problem of increasing the production of surplus food for the urban market by altering the cropping patterns, pushing new inputs onto the land and demanding more labour, or the use of machinery, from the former. These projects greatly increase the penetration of commercial farming into the rural areas, and attempt to force the farmer to use his land primarily to make money — to grow crops for sale, rather than agriculture with food as the priority. While Hausa farmers have long grown crops for the market, cotton and groundnuts since early this Century, and many grains (sorghum sells at about N300-N350 a ton at present), still the bulk of the farmers place a high value on growing food for consumption. It is often a sign of poverty and a cause of shame if a farmer has to buy food grains during the year, either because he has not enough land or labour to provide grain for his needs, or because debt repayment forces him to sell part of what he grew at harvest and to buy it back at twice the price later in the year, thus often getting further into debt.

As well as altering the primary purpose of cultivation to that of producing a surplus to sell rather than consume, these projects attempt quite rigorously to alter several other aspects of the farming system regardless of the reasons for their existence. For example, in order to maximize the use of their land, spread the labour peaks, minimise the risk of failure, farmers in this society practice intercropping. They use fertilizer on priority crops rather than all crops, e.g. guinea corn rather than millet. Millet is planted early to help the farmers over the hungry season, little fertilizer or labour is used so yields are limited, but vital. Labour and other inputs are concentrated on, for example, guinea corn, groundnuts. While for larger farmers a lot of crops are sold on the open market and all farmers sell some of their produce, earnings from farming are greatly supplemented, and even overshadowed by a myriad other occupations such as trading, butchery, tailoring, fishing, transporting, crafts. Projects attempt to radically alter this. World Bank Schemes and irrigation schemes push monocropping, of high yield seed, seeds which must be purchased every year in order to avoid deterioration, seeds which only give high yields if heavily fertilized with chemical fertilizers and which receive plenty of water. Wheat (on irrigation schemes) and high yielding varieties (HYV) of maize (World Bank Projects) are poor producers under adverse conditions. In the case of wheat, if the land is overwatered or the temperature rises too high, if it is planted late or it is not well fertilized, yields drop dramatically. Maize (HYV) will only yield well with plenty of water and chemical inputs. Unlike local varieties it is not drought resistant.

The heavy doses of fertilizer applied mean that extra weeding is required. While
World Bank Projects only demand extra labour in the wet season, irrigation requires that farmers give up all other occupations and use their labour only for farming. The Consultants and Project management all blithely assume that family labour can meet the demands of the new style farming. It is important they assume that, because hired labour is very expensive and taking it into account when assessing profitability would drastically alter the picture they promote of the newly ‘wealthy’ farmers. One quotation from a Consultant’s (Landell Mills) report on Bakalori will adequately illustrate their assumptions:

It has been assumed that all labour for planting, fertilizer spreading, spraying, weeding, irrigating and harvesting will be supplied by the farmer’s own family. The cropping pattern is based on this premise because the high cost of hired labour would be difficult to justify on such small farm units.

Such comments abound, and the greatly increased demands created by the new farming methods are presented as solutions to what they see as rural under-employment and unemployment and will thus stop the need for cin rani (migration in the dry season to look for work) — though another Consultant (MRT Engineers) recently expressed a different prejudice: that dry season migration ‘may be guided by some ancient anthropological urge from a previous experience’.

This new system of intensive farming for the market in fact needs a great deal of work. Larger farmers, with 30 acres and over, are offered loans for the purchase of oxen and ploughs or even tractors to meet the greatly increased labour needs. Many of the small farmers, who in reality are not normally unemployed, cannot themselves provide the extra labour and have no money to hire it. No credit is given for labour hire and anyway the cost of hiring available labour is so high it would be impossible for many farmers to undertake this commercial farming. This bias towards the large or ‘progressive’ farmers is clearly recognized in the way the schemes are run; the World Bank Projects are in fact supposed to ‘appeal primarily to the most vigorous and efficient farmers and for this reason labour availability is not regarded as a serious constraint’. Loans, extension workers, fertilizers, mechanization, are concentrated on the minority, even though these projects are said to meet the needs of the poor.

The high cost of labour, plus the cost of purchasing seeds, water, tractors, fertilizers have raised the cost of farming dramatically. Many farmers on the Kano River Project (because of structural poverty) simply can not meet the financial or labour demands. They are being forced either to leave their land fallow, or rent it out to other farmers with a larger land and labour base. For example, in a sample of 307 farmers in Chiromawa, a third had irrigated land on the Scheme, but 46 of these had given their land out on aro, 30 other farmers had rented land on aro. Those who gave out land tended to be men with only 2 or 3 acres, men who were washermen, sugar cane sellers, petty traders whose limited incomes could never enable them to afford to farm part or all of their land. Those who were renting land included the ward heads, a contractor, long distance traders — men with access to cash from having large farms or lucrative employment. These men were able to pay the N2.50 a day to hire labour — labour that came in from other areas of rural northern Nigeria where there was no dry season employment, or labour provided by many poorer farmers in the town itself.

The table below shows the reasons the farmers themselves gave for this movement in land.
Table I:
Reasons for giving out land on aro on the Kano River Project, 1977

<table>
<thead>
<tr>
<th>Reason</th>
<th>Men who gave out land</th>
<th>Men who were given land because owner could not farm it</th>
</tr>
</thead>
<tbody>
<tr>
<td>No money to farm</td>
<td>17.4%</td>
<td>20%</td>
</tr>
<tr>
<td>Too much land to farm himself</td>
<td>15.7%</td>
<td>13%</td>
</tr>
<tr>
<td>To help a friend</td>
<td>6.5%</td>
<td>13%</td>
</tr>
<tr>
<td>Needed money to farm rest of farm</td>
<td>34.8%</td>
<td>27%</td>
</tr>
<tr>
<td>Too busy with other jobs</td>
<td>10.9%</td>
<td></td>
</tr>
<tr>
<td>Man was sick</td>
<td>10.9%</td>
<td>13%</td>
</tr>
<tr>
<td>Man out of town</td>
<td>4.3%</td>
<td>13%</td>
</tr>
<tr>
<td>Number of farmers in Sample</td>
<td>46</td>
<td>30</td>
</tr>
</tbody>
</table>

Seventy-nine farmers had never tried to get land to farm on aro, 50% of these because they simply could not afford it. And many laughed at the idea that men such as themselves could go in for irrigated farming: 'I am poor and can't get money for getting a farm'. 'I understand this scheme is meant to give new life to this village, but it is only giving strength to those who are already strong'. One elderly sugarcane seller remarked, 'It is not my kind of people who farm in the dry season'.

At Bakalori there are indications that small farmers are already selling their land cheaply to school teachers, businessmen in Gusau, Sokoto and Gombe — maybe because they have got so deeply into debt during the years they were not allowed to farm on their own farms in the wet seasons, maybe because they feel overwhelmed at the costs, physical and financial, required for doing irrigated farming. Some of those who have land on the Scheme are staying away and much of the 1,000 hectares planted in the 1979/80 seasons were physically planted by the SRBDA staff.

The existence of 200 large farmers on the Funta Agricultural Development Project who own 100 acres of land or more, the fact that men in the cities of Kano and Kaduna have farms on the World Bank Projects and on the irrigation schemes confirm the logic of the situation. The drastic alteration in land use prohibits many small farmers from participating in the new style farming and so stronger men can rent or buy them out and monopolize the Government subsidies, loans, extension, technology. In turn they often hire the farmers who have rented out land to them to work on the farms. In addition, at Kadawa this year only 2,100 acres of land were planted because the Scheme Management was simply physically unable to level all the irrigable land by tractor in the seven week period between late September and late November. Yet the land that had been planted on time and which will yield well is mostly land rented by Project staff and larger farmers. The farmers of Chiromawa and Yan Tomo who had managed to plant in the 1977/8 season now have to watch their land stand empty. As many of them had to forego growing guinea corn on it in the wet season they are very bitter and angry that the limited tractor resources have been allocated to the more important people.

The farming is expensive. For irrigated farming it is upwards of N160 per hectare; on the World Bank Schemes farmers must buy seed, fertilizers, pesticides and labour. Yields are unpredictable. On the irrigation schemes wheat is yielding about 1.9 tonnes per hectare instead of the 4 predicted, and the sale of that wheat barely covers costs of production. At Bakalori only 1 tonne is being pro-
duced. On the World Bank schemes maize has flourished but cotton has largely failed. But even where crops yield relatively well, as with maize, the farmer has yet another hurdle to jump: marketing. Prices fluctuate wildly and if he is forced to sell at harvest time he may well lose on his heavy investment. The high-yield maize offers a salutary lesson. The World Bank projects have favoured the growing of this maize, primarily for animal feed as it is not very palatable, being very hard. Agrotech (Lagos) agreed to buy the maize from Gombe, and the Manager pushed the growing of it (as they did on all the projects):

... it is the maize which possesses the greatest potential in increasing production. With heavy fertilizer and good management the hybrid varieties of maize are able to yield 4.5 tonnes per hectare or more.

Agrotech did not buy the surplus maize from Gombe because maize, like wheat, is imported at a cheaper rate than it can be produced in Nigeria. In 1979 the Project Manager had cause to note in his Quarterly Report for September 1979 that, ‘farmers are now experiencing considerable difficulty in disposing of their crop even at N252 a ton, the lowest June price since 1976’. In Funtua the report for the same period suggested that ‘it is increasingly likely that without positive and significant intervention by the Project, the producer price of maize within the project area will fall to, or even below, the cost of production’. Clearly nothing was done and the problem has worsened considerably since then. The New Nigerian of 9 February 1980 had cause to give the crisis of unsold maize headline coverage: ‘Farmers especially those round the various Agricultural Development Projects (ADP) are now stranded with hundreds of bags of grain, maize in particular.’ The Grain Board are now offering to buy it at only N150 a ton and as they do not have funds to buy it all, they say they will give priority to those who have produced 50 tonnes and more, i.e. the largest farmers. The denial of the Project Manager of Funtua ADP in the face of this unsold surplus that they had never encouraged farmers to grow maize is incredible. The Projects set maize as a priority in their appraisal reports and have pushed it consistently ever since. Many farmers have responded, but will now lose massively because of the chaotic market.

Wheat, tomatoes, maize, cotton are among the priority crops on these various projects. They are scheduled to be grown for sale, to go to town, to the flour mills, livestock feed factories, cotton ginneries. They are not intended for local consumption and they compete directly with the growing of staple foods. The consultants’ theory that these farmers will be able to purchase their food needs, is belied by the evidence of the last few years — and indeed by experiences on similar schemes elsewhere in the Third World.

The net result of the imposition of this intensive farming for the market, using new technology and growing new crops, is that farmers are being told to invest more money and labour in farming, give up other (often more reliable) occupations, take more risks in an already risky situation where drought, erratic rainfall, pests, poor project management, and a volatile market hardly make agriculture a predictable venture. In these circumstances where credit, extension advice, technology are necessarily concentrated on the wealthier, influential and larger farmers (as smaller farmers have not the resources needed to use them) it is not surprising that land is changing hands, and that many small farmers are either unable to participate or are being forced off the project land altogether.
CONCLUSION

World Bank funded projects, irrigation schemes are having a radical effect on the land situation in Hausa society. Farmers are uprooted for the building of dams, housing complexes, project supermarkets. Many are pushed onto smaller, less fertile plots to make way for canals, roads and vehicle maintenance plants. Thousands more lose their dry season *fadama* land and are forced to become wet season farmers only. Cropping patterns are changed. A new risky, expensive farming system is imposed on a silent population. They are required to alter their employment, their agriculture, often their whole way of life to meet the food needs of an external urban population. No one asks their opinion. No one taps their knowledge. Consultants assure the Government that the farmers will benefit financially. No one assures the farmers, they know it is not so.

These schemes are accelerating the incorporation of the peasantry into the demands of capitalist farming — agriculture for profit. They are being carried out in the name of the small farmer, claiming to bring great benefit to him. That they are in fact the death knell for many small farmers should be a surprise to no one, as these projects are capital intensive, demand high inputs of foreign money, expertise and technology and focus resources on those best able to use them, i.e. men with capital, land, access to labour. That the small farmer is being squeezed off the land is merely one inevitable result of this approach to rural change.

Notes

Briefing

NAMIBIA IN THE FRONTLINE: THE POLITICAL ECONOMY OF DECOLONISATION IN SOUTH AFRICA'S COLONY

My purpose here is to provide a brief background to the recent history of the political struggle over the future of Namibia between South African colonialism, Western imperialism and the liberation movement, always with a view to the substance of the issues at stake. My use of terms like 'imperialism', which are often used pejoratively, is intended here to be reasonably precise. By 'imperialism' I mean the exercise of political domination by stronger capitalist nations over weaker ones in order to structure the latters' economies in their interests and to make possible the export of profits by their transnational companies. One form of imperialism is colonialism, or direct rule; another is neo-colonialism, or political domination through economic control — both forms serving the same objective but in different ways. The crux of the argument in recent years between South Africa and the West has been whether a stable neo-colonial regime can be established in Namibia, as the West wants at the expense of much of South Africa and West has been whether a stable neo-colonial regime can be established in Namibia, as the West wants at the expense of much of South Africa's direct economic stake, or whether colonial rule — however disguised — is essential to the preservation of Western as well as South African interests, as the South Africans have argued. The liberation movement, SWAPO, with which both sides have had to contend and which both are trying desperately to outflank, has long since declared its total opposition to both forms of foreign exploitation.

The stranglehold of foreign corporate capital
It will be easier to understand the depth of hostility to foreign domination amongst the Namibian people, as well as the divergence of interest between South Africa and the imperialist powers, if we look briefly at the history of economic exploitation under South African rule. When South Africa took over Namibia under the famous League of Nations mandate after the First World War, it did so as the protege of the British empire and as a non-industrial society in which the British-dominated gold mining corporations and the Afrikaner farmer were economically and politically predominant. Accordingly, it was quite happy for British and, more particularly after 1945, North American capital to take over the territory's mining industry so long as it could use the good stock-farming country on the central plateau as a dumping-ground for its own surplus of white farmers.
Since the Second World War, the basic division of interest between imperialist and colonial capital has not changed greatly, but the tempo of exploitation has quickened markedly, and in this the transnational mining corporations have always held the edge. On the one hand, as South Africa itself industrialised, its national capital sought markets and investment opportunities. A cartel of Afrikaner-owned companies built a lucrative fish processing industry in the Walvis Bay enclave. In the last decade the Afrikaner-owned mining house General Mining and the state corporations IDC and ISCOR have invested in mines and prospecting, in important instances in partnership with the transnationals. And settler stock-farming, nursed to post-war prosperity by lavish state subsidies, has evolved into fully commercialized ranching — karakul sheep in the south, beef cattle in the centre north. On the other hand, the postwar industrial expansion in the West and in particular the insatiable appetite of Western arms manufacturers created a sharply rising demand for base minerals of all kinds. The mining transnationals ransacked the world for profitable deposits, and found a fair number under Namibian soil. Whereas in 1946 there were only two big names and a handful of small ones, by the late 1970s there were three large-scale, a dozen medium-scale and over a score of small-scale operations, most of them owned by non-South African transnationals. Although about two-thirds of all investment in primary production is owned by South Africans, most of this is concentrated in farming and fishing (c75%) and non-South African companies ultimately own some 60% of assets in the highly profitable mining sector.

This configuration of foreign capitalist interests has given the Namibian economy a distortion extreme even by the standards of 20th century colonialism. Both the mines and the ranchers have been interested in the indigenous population far more as unskilled labourers than as consumers, and South African exporters are hooked into the consumption patterns of the colonial elite, as indeed they are in South Africa itself. Consequently, production in Namibia is geared almost exclusively for export and the strategy of the foreign owners is directed overwhelmingly into maximizing profits for repatriation to their home bases.

Statistical estimates for the Namibian economy for 1977 produced at the UN Institute for Namibia in Lusaka,2 amplified by calculations of my own, give a startling picture of the consequences of this pattern of interests. Primary production accounts for over half of Namibia’s entire GDP of about R1305 million, and well over 90% of the value of its output is exported — indeed, total foreign sales are, at over 60% GDP, actually worth more than the sector’s output once the cost of inputs is taken into account. By contrast, manufacturing accounts for less than 5%, and the tertiary sector for a paltry 30% — even in South Africa, which is not noted for the prosperity of its black workers and peasants, the latter proportion is 48%. Most of what little manufacturing there is consists in the processing of primary products for export — ore concentrates, washed diamonds, tinned fish and fishmeal, and tinned meat. In a country where there are twice as many cattle as people, 20% of fresh milk and most dairy products have to be imported. In a country where fish and beef cattle output could separately supply the entire national protein requirement, the great majority of the people have to endure some degree of nutritional deficiency and the consumption of tinned meat and fish is met completely from imports, some of them being Namibian products re-exported from South Africa. On top of this, Namibians see their most precious and wasting assets being stripped bare by companies anxious only to reap their profits while they still can. Tsumeb’s ore
reserves are not expected to last more than about another 15 years, and CDM has stepped up its diamond output by 25% over pre-1976 levels. Indeed, during 1979 workers stated that CDM was working shifts round the clock seven days a week, and such is the market control of its parent De Beers that not even the South African authorities can be sure of this production is not being secretly hoarded or not fully declared.

Even more dramatic is the sheer profitability of colonialism inNamibia. GNP has been consistently 30% lower than GDP since 1960 — this despite the substantial foreign investment in mining during this period which absorbed a substantial part of company profits. This difference is sent abroad, some two-thirds of it as corporate profits, the rest as small business savings, salaries, service payments and government current account surplus. One company alone, CDM, produces between a fifth and a quarter of the GDP on its own and remits the equivalent of 10% of the GDP as net profits — some 17% if the taxes it pays are included. Perhaps two-thirds of all net profits and 90% of company profits go out of the country — and since profits make up a massive 50% of GDP, this rate of repatriation is very high by any standard.

But it is the distribution of national income which exposes the devastating impact of foreign exploitation most clearly. If business taxation is added to net profits, about 70% of GDP is swallowed up by gross profits — 40% by companies, 9% by small businesses, 20% by taxation. Another 18% goes on the wages of white employees, whose functions are mainly to administer, supervise and control the black workers who actually produce the goods. This leaves a mere R145 million, about 12% of GDP, to 1½ million black workers, peasants and petty traders. About two-thirds of this wages, another tenth the cash earnings of small traders and transporters, and the remaining R25 million the subsistence production of the peasantry. Reduced to per capita income, the disparities are huge. Black wage and peasant income together averages R113, of which the peasant component is only R22 — some 40% of black workers are migrants and although two-thirds of the black population are forced by apartheid laws to live in the reserves, most peasant households depend substantially on wage remittances for basic subsistence. For whites, by contrast, salary and small business income averages over R3000. The ratio of white to black incomes is thus of the order of 25:1 — far higher even than in South Africa itself. It is this above all which gives the lie to comfortable generalisations about national per capita income, which at an average of R1042 in 1977 does indeed put Namibia in the top ten of African countries.

All this will give the strong impression that Namibia under South African rule has been a paradise for foreign capital, and indeed it has proved an extremely profitable engine of exploitation. All the same, unbridled greed has on occasion proved self-destructive for the exploiters. Desert encroachment is widely believed to have made substantial advances under commercial stock-ranching, and is not easy to reverse in so fragile an environment. It is fishing, however, which supplies the classic example: heedless of scientists' warnings and indulged by high government quotas and lax controls, the fishing fleet serving the canneries hunted the prized pilchard almost to extinction in the late 1970s in one of its richest natural habitats in the world, and now the canneries will lie virtually idle for several years to come.

But the long-term consequences of this pattern of economic exploitation are
essentially political. For no matter how fierce the machinery of repression, in
the end the exploited will begin to fight back. As their collective strength
mounts and the cost of repression in hard cash and in confidence in long-term
stability rises, so the perfect harmony of exploiters under colonialism at its
optimum begins to break up in dissension. The critical divide is between those
who are strong enough to hope to salvage and perhaps even enhance their long-
term stake by accommodating themselves to a reformed or neo-colonial regime,
and those who cannot afford even minimal concessions.

Colonialism v. Neo-colonialism: the Interests at Stake
It is not difficult to see that in fact it is these interests associated with the
colonial regime which are most at risk. In good years the mines produce goods
equivalent to the entire value of their investments, the canneries twice as much,
but the settler ranches little more than a seventh. Likewise, under normal condi-
tions the rate of profit on the mines is very high — in 1977 prices about R5000
per black worker at Tsumeb, R28,000 per black worker at CDM, and over
R40,000 at Rossing — at least twenty times the average black wage there is cash
and kind. In the fish canneries the figure is R5000, but on the ranches only
R1200. Put another way, if CDM's average wage, which is barely above the
poverty line for an average family, were to be enforced as a national minimum
wage, it would swallow up another 5% of net profits on the big base mineral
mines, but 25% in fishing and 88% in ranching. And if a 'living wage' — say 50%
above the PDL — became the norm, CDM and Rossing would lose no more than
2.5% of net profits and Tsumeb 25%, but the canneries would lose 45% and the
ranches 160%. Even to pay a wage at the PDL rate the ranchers, because most
are still individual proprietors or partners, would find their average net income
reduced from the relative affluence of an average R2500 per ranch to a mere
R1100 — or about 60% of the PDL. The fishing companies, although Afrikaner-
owned, have a let-out in that they are located at Walvis Bay, which South Africa
has conveniently claimed as sovereign territory. But the white farmers are first in
the economic and political firing line and they know it — not even very limited
reforms would save them.

Other sections amongst the settlers are more ambiguously placed, and although
economically dependent are politically important to the stability of the colonial
regime. Small businessmen in commerce and services are ultimately unconcerned
as to the colour of their customers' money, but need at the least a political
economy in which private property rights are sacrosanct. Most of the colonial
administration would quickly lose their jobs, but those in the mine company
managements and technical staffs might reasonable expect to stay on. There is,
however, one crucial characteristics of all those tied more or less strongly to the
colonial interest: they all have foreign countries which they regard as their cul-
tural 'home', and in the last resort are in a position to send at least a substantial
part of their assets out of the country in one way or another or to expect to be
provided alternative jobs in their homelands. For one consequence of the com-
plete supremacy of foreign capital has been its total subordination of capital-
formation under local ownership.

The mining corporations, on the other hand, are already vastly experienced at
dealing with post-colonial governments, even radical ones, and will be confident
of their bargaining strength whatever the political colour of the regime which
emerges so strong is their strategic hold on the economy. Even outright
nationalisation would not of itself damage them irreparably, for in the short time an independent Namibia would have little hope of finding sufficient finance or technical and managerial expertise elsewhere to maintain reasonable rates of output. The only transnational with an important part of its assets or profits dependent on Namibia is De Beers, but equally CDM's profitability and De Beers' market monopoly in diamonds give the latter a very strong bargaining position. These companies, true to their nature, are taking full advantage of the favourable colonial regime while it lasts, but they are certainly not dependent on it. The chairman of RTZ, for instance, with over R150 million of his company's assets sunk in the Rossing uranium mine, was still able to state that 'Rossing is not so large as to have a major effect on our survival. You don't like shrugging off things, but this is shruggable, I assure you'. "

Overlapping the specific interests of foreign investors and the white settlers, for both the colonial regime and its imperialist allies there are wider issues at stake. This is not to belittle the direct economic interest of the South African state, held ultimately on behalf of all South African-based capitalists and a majority of white employees. First, South Africa forces Namibian food producers to satisfy South African demand at prices usually well below world market levels before allowing them to export. This affects much of the output of fishmeal, some tinned fish and all cattle; in fact Namibian ranchers have been denied the facilities to process or freeze their beef for large-scale export — and have been restricted to quotas geared to the expected shortfall in South African home production. Second, South Africa's high tariff walls give South African-based manufacturers a captive market on a plate, worth about R290 million in 1977; two-thirds of Namibia's imports originate in South Africa. Third, the South African treasury makes a tidy profit on its Namibian current account, mainly from diamond taxation, contrary to repeated South African claims that it subsidises the territorial budget. Capital expenditure is properly defined as 'foreign investment' and thus falls under a separate category; even when taken together there is still a probable net surplus of some R40 million over state expenditure. Military spending is of course no more than an extension of South Africa's normal military budget, which would probably not by any lower were Namibia free. Fourth and perhaps most important, Namibia's large trade surplus and even larger imbalance in trade to and from third countries yields South Africa a handsome gain in foreign currency, which even when service payments and remitted foreign profits are discounted still amounts to about R380 million a year.

Nearly all these South African investments and trade benefits would fall away fairly quickly even under a conservative neo-colonial regime for the simple reason that Namibia could get better prices and trade terms on the open market. Unlike Mozambique, Namibia does not depend on South African transit trade for revenue and unlike much of south-central Africa it does not need access to South African rail routes or ports. Even so, no vital South African interest would be lost: in 1977/78 its import bill would have increased by some 2%, foreign currency earnings would have lost by 4.5%, serious to a fragile balance of payments but not irreparably damaging. In any case, since then the rising gold price has hugely inflated South Africa’s foreign reserves. Likewise, the transnationals’ investments are, with one exception, relatively small in the global interests of Western imperialism. That exception is the Rossing uranium mine, from which the majority owner RTZ inveigled the British government into con-
tracting for the supply of a large proportion of its uranium requirements between 1977 and 1982. Although alternative suppliers were available, that one contract significantly stiffened tacit British support for South Africa's continued occupation during the 1970s.

But far more is at stake than this. Indeed, the long-term survival of a stable capitalist society in South Africa itself is in a number of respects likely to be closely affected by the fate of its periphery. South Africa is a major capitalist economy in its own right, supplying the bulk of the capitalist world's gold and of a whole range of strategic minerals, as well as being an important source of profits for transnational companies and a major trading partner. The imperialist powers' ideal scenario for South Africa would be an orderly, gradual transition to non-racial, meritocratic capitalism, but they are too keenly aware of the fragility of a regime based on such systematic repression as is the present one to put such a reform firmly on the agenda. Consequently their overriding imperative is a defensive one, to deny the South African liberation movement the means to mount a serious challenge to the survival of the apartheid regime. A main plank in their strategy is the construction of a stable periphery of conservative or client regimes around South Africa's borders, regimes with sufficient internal political support to hold power without external intervention but which can be relied upon or intimidated into denying the liberation movement a springboard for supporting the revolutionary forces inside South Africa. The South Africans differ from this strategy only in approach and secondary aspects. They have a sizeable economic stake in the southern African periphery which stretches as far north as Zaire and Malawi. They would also prefer to keep their military frontline well to the north of their own borders, not that the Namibia/Angola boundary is any easier to defend than the Orange River, but it does enable them to confront the South African liberation movement with a hostile buffer zone through which its cadres would have to pass en route to South Africa. P.W. Botha's 'constellation of states' is no more than a revival economic, political and military imperatives in almost equal measure.

Although Namibia may be less strategically vital than Zimbabwe, were an anti-imperialist government to take power it would seriously damage South African and to a lesser extent imperialist control over the periphery. Logistically, South Africa would find it extremely hard to continue maintaining reactionary subversive opposition to the governments of Angola and Zambia and thus its stranglehold on their trade-routes. At present, by training, arming, supplying and transporting thousands of UNITA guerillas from bases in northern Namibia, South Africa is able to keep the Angolan government under considerable pressure and in particular to immobilize the Benguela railway, a crucial outlet for Zairean and Zambian copper exports, which then have to be sent through South African ports. Direct military incursions by South African forces into Zambia and Angola are still frequent — the Angolans recorded some 60 in the three years to June 1979, and their scale and intensity has increased during the year following. Economically, Zambia, Zaire and Botswana would in the medium term gain alternative trade routes to the Atlantic. Indeed, Botswana has already commissioned a plan for a railway across the Kalahari to Namibia pending the liberation of that country. Military, the citadel of apartheid would exposed as never before, and its massive conventional armament would be of limited use in defending its own borders against sustained guerilla insurgency, although the terrain is far less favourable to the latter than along the Zimbabwe/Mozambique
So in the end Namibia matters a great deal both to South Africa and to the West. Their underlying strategic objectives are fundamentally similar; their differences concern means, not ends. The Western powers, with complex world-wide interests to balance, have long accepted the ultimate necessity for some degree of decolonisation and for its endorsement by the UN if it is to gain the international recognition they need. South Africa, for its part, cannot afford to stray too far outside the protective imperialist umbrella and hence must at least be seen to be negotiating. Here then is the terrain of political and diplomatic manoeuvring between South Africa and the West: both know that neither can afford to push the other too far, but exactly where the limits are set has always to be contested.

The Struggle for Namibia

It is doubtful whether the basic elements of South Africa's strategy have changed a great deal in the past 20 years, for all the shifts in official rhetoric and political forms. South Africa's initial response to the rise of the national liberation movement in the early 1960s was a fully-fledged programme of apartheid which envisaged a 'white' heartland, eventually to be constitutionally united with South Africa, surrounded by nominally independent but politically captive bantustans. Having delayed to await the 1966 verdict of the International Court of Justice, the regime moved rapidly to implement its bantustan programme, so that by mid-1977 only the Herre out of eleven so-called 'population groups' were without a bantustan authority of some kind.

In fact a sustained campaign led by contract workers, peasants in the north and the SWAPO Youth League following the ICJ ruling in 1971 that South Africa's presence was illegal had completely destroyed the political credibility of the 'leaderships' set up in the bantustans by the South Africans long before the Turnhalle project was launched. Its high points were the 1971-2 contract workers' national strike, the peasant uprising in Ovamboland early in 1972, and the complete boycott of the bantustan elections in Ovamboland in August 1973. The 1974 Portuguese coup stirred the South Africans to find new clothes for their occupation regime designed very superficially to conform to the demands of the UN. The result was the Turnhalle Constitutional Conference, which opened in September 1975, and concepts like 'independence' and 'national self-determination' appeared in the South African vocabulary for the first time.

Hitherto South Africa had not come under strong imperialist pressure: Kissinger and the British Conservative government (1971-4) had steered a passive course, relying on South Africa to do the dirty work. The victories of Labour in 1974 and Carter in 1976 brought to power the 'liberal' wing of imperialism, much more interventionist in approach. The disastrous failure of South Africa's US-backed invasion of Angola in 1975, deepening economic recession in South Africa's own cities in 1976 led the imperialist powers to lose confidence in South Africa's ability to control its periphery and even to doubt its internal stability. Accordingly, during 1976-7 in the key instances of Zimbabwe and Namibia, Britain and the US led strong initiatives to restructure political power according to their own design. Too late South Africa pushed the Turnhalle conference, which consisted very largely of bantustan nominees, hurriedly to a conclusion and tried to install it as an 'interim government'. Between April and June 1977 the Western powers set themselves up to mediate between South Africa
and the UN, vetoed the ‘interim government’, and forced South Africa to negotiate on their terms.

These negotiations are still dragging on at this moment. But their form masks important shifts in the tactical positions of the protagonists over the past three years. As the worldwide capitalist recession has deepened, the revival of cold-war rhetoric has escalated and the tide towards conservatism has been running strongly in most imperialist countries, and they now seem much more willing to bolster the South African role in policing its periphery. To assert this in the face of recent events in Zimbabwe may seem perverse. But the triumph of the parties of the Patriotic Front demonstrates only that imperialism can miscalculate and overthrow its hand. When the first half of 1979 saw the US Congress only narrowly defeating a motion to lift sanctions against Rhodesia and Conservative wins in general elections in Canada and Britain — in the latter case having already given a semi-official seal of approval to the rigged ‘internal elections’ in both Namibia (December 1978) and Zimbabwe (March 1979) — the odds appeared to be on a revival of the famous Kissinger ‘tilt’ towards South Africa of the early 1970s. Even when, as in Namibia, the strength of the liberation movement prevented the unqualified endorsement of Smith’s ‘internal settlement’, the British government, like the South African, remained confident right up to the penultimate week of the independence election campaign that its tactics would block a clear take-over of state power by the parties of the Patriotic Front. These tactics included complete licence to the Rhodesian armed forces (with South African reinforcements) to terrorise the Zimbabwe peasantry, to massacre refugees and severely damage the economic infrastructure of Mozambique and Zambia as a bargaining lever during the Lancaster House talks; a virtual block on the return of several hundred thousand refugees and their effective disfranchisement; and severe harassment of political organization by the liberation movement during the election campaign. And although victorious, the incoming Patriotic Front government finds itself saddled with depleted finances, a rundown economy, extensive war damage and a constitution, imposed as a last-resort fall-back by the British, which makes entrenched capitalists interests and the colonial state apparatus difficult to dismantle.

Such a denouncement has a close parallel in Namibia. During 1978 the so-called ‘contact group’ — widely known in Namibia as the ‘gang of five’— inveigled the UN into agreeing to allow the entire South African administration and many of its paramilitary forces, as well as part of the occupying army, to remain in place throughout the period of transition to independence. The group has also effectively condoned South Africa’s continued occupation of Namibia’s only deep-water port, Walvis Bay, after independence. Since SWAPO’s strategic decision in July 1978 to compromise on these issues, the group has concentrated on securing a near total demobilization of SWAPO’s armed struggle and on widening the scope for the deployment of South African paramilitary forces. By mid-1979 it had even reached the point where Sir James Murray, visiting Namibia on behalf of the Five, did not even deem it necessary to consult a single member of the SWAPO leadership, all of whom the South Africans had swept into detention several months earlier, despite meeting a wide range of colonial officials and Turnhalle puppets.

But the differences between Namibia and Zimbabwe are important too. Above all, no single member of the imperialist club has even nominal territorial
sovereignty, thereby making it necessary to play to a much wider range of imperialist interests and political ties, particularly with neo-colonialist clients in the third world. Equally, no matter what facade the colonial regime may choose to erect, state power is held not by a local settler capitalist class but by the South African ruling class itself. Thus on the one hand the contact group has been somewhat limited by having to operate within a framework of UN principles and resolutions, while on the other the colonial power's will to fight on has not melted away as that of the Smith/Muzorewa regime had done by the time the Lancaster House negotiations were seriously under way. In effect, a roughly similar deal to that devised at Lancaster House was offered to the South Africans in the Waldheim report endorsed by the Security Council in July 1978, the most important difference being that the independence constitution was to be framed after and not before the decisive election. Again, it was the fact that SWAPO had already made the same sort of calculated tactical concessions as the Patriotic Front was to do over a year later that enabled the contact group to push its package through the Security Council. Yet now, over two years later, the negotiating deadlock is as complete as ever, with the South Africans putting up fresh objections as and when it suits them.

The reality is that even before the shock of the Patriotic Front victory in Zimbabwe, the South African government lacked the confidence that it yet had the means to set up a stable 'internal settlement' which could stand up to a UN-supervised transition to independence. Accordingly, from insisting on a detailed constitution of their own making, the South Africans are now seeking to establish the administrative and military conditions which will ensure that the independence election, even if UN-sponsored, can deliver the prize of legitimacy to their Turnhalle servants. The army-organized election of December 1978 was thus as much a dummy run as a propaganda instrument for selling the Democratic Turnhalle Alliance, the political party cobbled together from the Turnhalle conference delegations following the installation of an executive Administrator General on 1 September 1977. As South African confidence gradually returned, it did what it dared not risk in early 1977 by vesting the DTA with wide powers of internal legislation in May 1979 and some months later with executive powers as well – an 'interim government' in all but name. Similarly, during the 18 months following the Turnhalle election it markedly increased its power of coercion: a large-scale military build up; the extension of marital law to cover 80% of the population; a total clamp-down on any open political activity by SWAPO; the internment for long periods of the entire internal leadership of SWAPO down to local branch level and of thousands of members and supporters in a string of concentration camps and army bases. By mid-1979 much of the responsibility for internal repression had been transferred to the army. The South Africans appear to see their best chance of carving out a political constituency for the DTA in giving it several years' status as a de facto government with the power to promote limited reforms to racialist legislation, at the same time demoralizing the people by means of sustained military terrorism and a systematic assault on any overt manifestation of support for SWAPO. For this policy to have any chance of succeeding, an essential prerequisite is the substantial demobilization of SWAPO's armed struggle. South Africa's concentration on military aspects in the UN negotiations and its widening of the scope and intensity of the war since early 1978 therefore fit closely into its overall strategy. This military escalation has taken two main forms. First,
although later attacks have not matched it in scale, the Kassinga massacre of 4 May 1978 heralded an ongoing series of strikes against refugee camps designed to stem the rising outflow of Namibians and particularly of volunteers for SWAPO’s guerilla force, the People’s Liberation Army of Namibia (PLAN). Second, the South African Defence Force’s repeated ground and air incursions into southern Angola have generalized from search-and-destroy attacks on PLAN bases into large-scale drives against the civilian Angolan population which appear to be aimed at destroying the authority of the Angolian government in the region. There may well be a link with South Africa’s recently revived demand that UNITA be included as a factor in the UN negotiations, and it may be influenced by the example of the Israeli-controlled buffer zone in south Lebanon, for military ties between the two countries are close and Israeli officers are known by SWAPO intelligence to have visited the war zone.

As the stalemate over Namibia persists, both the South Africans and the imperialist powers find themselves confronted with contradictions they are not yet willing to resolve. The first is that however much either may now wish to find executors of their particular blueprints, the systematic and extreme nature of colonial exploitation has left very little space for the rise of a class of potential black collaborators in a neo-colonial solution. There are a mere handful of black farmers, businessmen and self-employed professionals and artisans, and most of the 10,000-odd petty traders, contractors and transporters — a mere 2% of the able-bodied adult black population — run small family concerns in the bantustans. Moreover, very few blacks are employed in posts more senior than foreman, personnel officer or clerk. By contrast, unskilled and semi-skilled workers form 43% of the able-bodied adult black population and peasants, most of whom are dependent on migrant labour remittances, another 48%. Nor are the settlers strong enough on their own — a factor acknowledged in South Africa’s insistence that its troops be ‘available’ to a post-independence DTA regime and also in its haste to press-gang blacks into its bantustan battalions. The settler political consensus has in any case been seriously fragmented since mid-1977. The majority — ranchers and large sections of the administrative bureaucracy and urban petty-bourgeoisie — supported right-wing opponents of the DTA in the December 1978 election, and terror groups have multiplied since then, an index of their powerlessness and growing demoralization.

Second, the imperialist powers have once more foundered on a fatal flaw in their own strategy, that when it comes to the crunch they will not dare to use coercive measures against the apartheid regime because of their larger concern for its survival, there being no politically credible alternative as a guardian of capitalist interests in southern Africa. Thus the South African Prime Minister Botha could defy the Western foreign ministers to their faces in the crucial confrontation over Namibia in Pretoria in October 1978 in reasonable confidence that no real reprisals would be forthcoming, although the venom in South African propaganda against Western ‘weakness’ at the time showed awareness of the risk involved. That confidence has since been vindicated. The resurgence of political reaction in the imperialist centres has virtually destroyed the flirtation with ‘liberal’ interventionism and dropped southern Africa far down the scale of foreign policy priorities. Even at the level of official propaganda Namibia has virtually disappeared from sight and diplomatic pressure to keep the UN negotiations moving has subsidised into passivity once more: the South Africans have regained complete license to do whatever they please short of proclaiming
Namibia ‘independent’ under a puppet regime.

Even so, there has been no simple restoration of an earlier status quo. For the third contradiction, and ultimately the critical one for the apartheid regime, is that is has not succeeded in crushing the liberation movement, nor the overwhelming national support it has won and held. Indeed, it was at the start of the biggest crackdown yet in May 1979 that SWAPO, with all its national and regional leaders in gaol, was able to mount its largest ever demonstration in the capital Windhoek. Furthermore, as South African reports themselves have indicated, during 1979-80 the guerilla war has intensified and extended well beyond its previous limits as SWAPO’s main emphasis has swung behind the armed struggle. The performance of PLAN has at least matched that of their Zimbabwean comrades in logistically more difficult conditions and the South African conscript army has been markedly less effective than its Rhodesian counterpart despite its powerful weaponry and air support. The risk to morale of fighting a seemingly endless colonial war of attrition far from home are of deep concern to the military strategists who now predominate in P.W. Botha’s government, wedded as they are to psychological concepts of ‘total warfare’. The message of the Zimbabwean debacle, that the severest repression cannot be guaranteed to deliver the vote in an independently-supervised ballot to one’s chosen puppets, has left the ruling National Party divided between the die-hards committed to preserving colonial rule and the reformers loosely grouped around P.W. Botha who see the expediency of risking the same result in Namibia at some stage in return for more explicit imperialist support for the apartheid status quo at home. Even then the ‘reformers’ will need to delay in order to outflank right-wing accusations of ‘selling out the white man’.

Despite its willingness to explore the road of negotiation, SWAPO has good reason to downgrade any expectation that imperialist pressure will either be seriously applied or yield results, or that the colonial regime, which has always adamantly refused to negotiate with SWAPO, will respond to anything other than armed revolutionary struggle. Ever since its foundation year 20 years ago, SWAPO’s leaders have watched the West time and again block effective action in the UN Security Council and give a free hand to exploitation by their corporations. Self-reliance in the national liberation struggle was a cardinal feature of the early years of political mobilization (1960-66), although a more precise identification of class forces and contradictions did not come until later. The working-class, above all contract workers from the north, have provided the core of party membership and organization from the outset, a factor articulated in the early 1970s by the Youth League and in the Central Committee’s explicit commitment of the party in 1976 to the building of a classless, socialist society. Amongst black workers in the towns and mines, although hostility to imperialism is more strongly entrenched than a socialist consciousness and a general hatred of colonialism more deeply than either, a more specific awareness of capitalist exploitation is now growing. Furthermore, the party leadership, especially at the lower levels and at the UN Institute for Namibia, is now beginning to prepare more systematically for a socialist transition, and since many of them have emerged directly from the ranks of unskilled workers, low-grade white-collar workers, high school students and the peasantry, their bonds with the experience and everyday sufferings of the oppressed are close. The character of the national liberation movement, tempered by two decades of the severest repression, remains the strongest determinant of the ultimate success of the
Namibian revolution.

Notes
1. The basis of estimation used here takes account of the substantial foreign shareholdings in some South African-registered parent companies.
2. UN Institute for Namibia, Towards Manpower development for Namibia, (draft report prepared by R.H. Green, Lusaka, 1977), appendix. Unless otherwise stated, all statistics given in this article are referred to the base year 1977.
3. Estimated on a remittance basis. The proportion of national income accruing to foreigners has been roughly 10% higher than this on average, and is accounted for largely by reinvestment.
4. Assuming base mineral prices at early 1970s levels adjusted to a 1977 price base and full production, which of course was not the case in 1977 at either Rossing or the fish canneries.
6. Similarly, the application of inappropriate regulations severely reduced the once prosperous dairy industry; and South African Railways' interest in filling its wagons for the return journey from Namibia has forced the ranchers to send their beef cattle to South African markets on the hoof, thereby losing the considerable value they would gain from home killing and refrigeration or processing see W.S. Barthold, Namibia's economic potential and existing economic ties with the Republic of South Africa, (German Development Insititute, Berlin, 1977).
7. Assuming, that is, either Walvis Bay is not held hostage or that an alternative deep-water harbour is given top priority in postindependence transitional planning and finance.
Debates

CAPITALIST ACCUMULATION IN THE PERIPHERY – THE KENYAN CASE RE-EXAMINED

Rafael Kaplinsky

Colin Leys, author of one of the most interesting books on underdevelopment in recent years, has caused considerable surprise by his 1978 article reassessing his pioneering study. The particular point of contention is the characterization of the indigenous industrial bourgeoisie. In the earlier study Leys argued that the indigenous bourgeoisie — which he termed an ‘auxiliary bourgeoisie’ — was largely defined by its relationship to foreign capital and that it saw its future in alliance with that of foreign capital. Langdon supported this, characterizing the ‘insider bourgeoisie’ as bargaining with foreign capital for a greater proportion of the surplus generated by foreign capital to be distributed to the Kenyan elite. But he, too, saw the interests between the indigenous bourgeoisie and foreign capital as being basically harmonious, rather than antagonistic.

Leys recent assessment of the earlier analysis seems to have been influenced by two factors. The first is the research of Cowen which he cited, tracing the roots of the indigenous bourgeoisie back to pre-colonial times. This, Leys argues, bears the lie to the characterization of the indigenous bourgeoisie solely in relation to foreign foreign capital. The second factor underlying Leys’ reassessment is the difference in the aspirations of the indigenous bourgeoisie between his earlier fieldwork (1971-3) and his visit to Kenya in 1977. In this latter period Leys encountered a very strong desire by the indigenous bourgeoisie to supplant foreign capital.

Leys (1978) points out that the significance of the characterization of the Kenyan bourgeoisie stretches beyond an analysis of the Kenyan economy per se since it has implications for underdevelopment theory in general. Moreover it poses perhaps the most basic question of all — is successful capitalist accumulation at the periphery of the global economy possible?

There is general agreement that the debate on Kenya has far-reaching implications and it is in this context that this paper is written. Specifically I shall attempt to add to the literature data accumulated during a protracted stay in Kenya. One sub-set of this data arises from a project undertaken for the National Christian Council of Kenya in an attempt to update their earlier study. This monograph includes detailed information on the ownership of all large scale manufacturing firms and all tourist firms operating in Kenya in 1976. However, before outlining the results of this research (Section III) the basic argument of Leys (1978) is set out in Section II. Finally I conclude with an assessment of the implications
of our data for Leys (1978) and, thereby, take a position on the debate concerning accumulation in peripheral capitalist economies.

Noting the divergence in opinions between Gunder Frank, Warren and Emmanuel, Leys (1978) states the context of his re-evaluation:

The most important question of all those which are at stake in the debate about ‘dependency’ is whether or not there are theoretical reasons for thinking that the ex-colonies cannot (as Marx put it) ‘adopt the bourgeois mode of production’ and develop their productive forces within it (p.241) . . . the debate about dependency and underdevelopment has not shown either that capitalist development cannot occur at the periphery (or ‘in the Third World’), or that it is eventually bound to. What it demonstrates, rather, is the need to study and theorise the conditions under which other periphery countries have, and others have not, experienced significant measures of growth. (p.244.)

In this context he is concerned with

Class relations and class struggles in a particular social formation . . . and furthermore it will largely be concerned with the process of domestic capital accumulation which has formed the basis for the constitution of one particular class (pp.244/5). [For] What produces underdevelopment is not the ‘transfer of surplus’ appropriated by metropolitan capital from the periphery of the metropole, significant as this may be. Rather, such a transfer should be seen as an effect of structures at the periphery which militate against the productive investment of the surplus at the periphery (p.245).

He then traces the historical growth of the Kenyan economy, a subject I shall consider further in Section III below, and concludes that a

plausible explanation of Kenyan economic growth since the 1940s lies, rather in the specific social relations of production developed before, during and since the colonial period, and particularly — but in no sense exclusively . . . in the key role of the class formed out of the process of indigenous capital accumulation (p.247).

The control of this class over the state, Leys argues, originally largely through ethnic links, led to the accumulation of surplus through state-protected merchant, distribution and service activities. Increasingly this allowed the indigenous bourgeoisie to buy out foreign capital in farming, service and manufacturing sectors, helped in recent years by capital accumulated through the ivory, charcoal and coffee trade.

The move into the manufacturing sector has been aided by the development of appropriate skills and institutional forms, notably syndicates of individual investors, co-operatives, mass investment companies and parastatals. Moreover the state assists indigenous Kenyans in moving from the sphere of circulation to that of production. But, and this leads Leys (1978) to state the major error in Leys (1975), this does not imply a relatively autonomous state:

Some such conception was at times implicit if not explicit in my own earlier work on Kenya. Instead of seeing the strength of the historical tendency lying behind the emergence of the African bourgeoisie I tended to see only the relatively small size and technical weakness of African capital in the face of international capital, and to envisage the state as little more than a register of this general imbalance; rather than seeing the barriers of capital state and technology as relative, and the state as the register of the leading edge of indigenous capital in its assault on those barriers (pp.251-3).

He concludes that

Kenya appears, from this analysis, as a modest example of a ‘systematical combination of moments’ conducive to the transition to the capitalist mode of production. This does not imply that no further obstacles remain in Kenya to the uninterrupted domestic accumulation of capital . . . (But) . . . What it says is that capitalist production relations may be considerably extended in a periphery social formation, and the productive forces may be
considerably expanded within and through them, for reasons having primarily to do with
the configuration of class forces preceding and during the colonial period: and that the
limits of such development cannot be determined from the sort of general considerations
advanced by underdevelopment and dependency theory (p.261).

Leys (1978) is aware of the empirical gaps in Kenyan studies and notes that:

At most (this has) the status of a working paper, subject to correction in the light of work at
other levels, and on other aspects of the level of class relations and class struggles, which
mostly remains to be done (p.245).

I have marshalled new data which can be brought to bear on five hypotheses
which can be drawn out of Leys (1978) and the subsidiary analyses of Swainson:

i. The Kenyan economy has seen a successful period of economic growth since
independence.

ii. An independent indigenous industrial bourgeoisie now exists. (The word
‘independent’ should not be taken to mean that this indigenous bourgeoisie
has no dependent links with foreign capital and technology, for such absolute
independence is unlikely, even in economies with a vigorous, accumulating
indigenous bourgeoisie such as Japan. It should rather be seen in its relativist
sense, implying an ability to maintain accumulation independently from
foreign capital and with some significant measure of indigenous technological
capability.)

iii. There has been a significant increase in ownership and control of industry by
this indigenous bourgeoisie which has moved to supplant foreign capital
holdings.

iv. The state has moved from a mediating position to an instrument for increased
indigenous control over foreign capital.

v. The Kenyan economy will see continued successful capitalist accumulation.

It may be thought that these five hypotheses are straw-men in that detailed
chapter and verse cannot necessarily be cited from the various works of Leys
and Swainson. Yet I believe that they provide a fair representation of their
views. The dependency school which they challenge argues that industrial
development in small peripheral economies is conditioned, and moreover limited,
by their relation to the global economy. The Cowen-Leys-Swainson school, as I
understand it, challenges the ‘dependistas’ by

a. pointing to the indigenous roots of the capitalist class;
b. noting that they, in part of by manipulating the state, have moved to supplant
foreign capital; and
c. believing that such a momentum is sustainable.

For these three phenomena, especially the latter two, to hold, I believe that the
five hypotheses which I have drawn out must be sustainable. The testing of these
hypotheses against observable reality is the task of this section.

i. Economic transformation in Kenya

It is often believed that the Kenyan economy has been a ‘success story’, witness-
ing high and sustained economic growth since independence. Indeed this appears
to be the view of Leys (1978) who argues that not only has there been a signifi-
cant increase in the penetration of the monetary economy (associated with an
extension of capitalist relations of production), but that this has been accom-
panied by significant economic growth and structural change. Labour productivity
is said to have grown, transfer pricing by multi-national companies (MNCs)
brought under control and new markets found, following the loss of markets in Tanzania and Uganda. In sum, economic growth is said to have resulted from structural transformation and both have occurred with the spread of capitalist production relations. Let us examine each of these assertions in turn.

a. Extension of capitalist relations of production
There is no doubt that capitalist relations of production have been extended significantly over the years. The prime indicator available to illustrate this change is that of the percentage of Gross Domestic Product (GDP) contributed by the monetary and non-monetary sectors respectively (the criterion used by Leys (1978), which suggests a growth in production for exchange. As is shown in Table I below, the share of GDP contributed by the non-monetary sector fell steadily, from 27% in 1964 to 19.6% in 1976. But a close look at Table I suggests that the extent of this transformation may be misleading since a proportion of this decline is accounted for by significant increases in government expenditure (and therefore revenue), particularly on education, health and (especially over the last two years) defence. Not all of this increase in government expenditure is reflected in the growth of monetised production since a significant proportion of this state expenditure has been financed by budgetary deficits, aid and foreign loans. Thus while it is my judgement that Leys (1978) is correct in interpreting a significant extension in capitalist relations of production, the evidence used to support this contention is subject to qualification.

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<tr>
<td>Monetary economy</td>
<td>73</td>
<td>76</td>
<td>79</td>
<td>79.2</td>
<td>80.4</td>
</tr>
<tr>
<td>of which Enterprises and non-profit institutions</td>
<td>59.3</td>
<td>60.2</td>
<td>62.1</td>
<td>61.1</td>
<td>61.6</td>
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<tr>
<td>Private householders</td>
<td>.9</td>
<td>.8</td>
<td>.8</td>
<td>.9</td>
<td>1.1</td>
</tr>
<tr>
<td>Government services</td>
<td>12.8</td>
<td>15</td>
<td>16.1</td>
<td>17.2</td>
<td>17.8</td>
</tr>
</tbody>
</table>

Source: Statistical Abstract 1977, Table 45(b); Statistical Abstract 1975, Table 45.

b. Changes in economic structure
Changes in the structure of the Kenyan economy have in fact been rather limited. Despite significant changes in the composition of imports (see Table II below) which has occurred as a result of the policy of import substitution, the share of the manufacturing sector in GDP grew slowly in the first thirteen years of independence. Of course accumulation need not necessarily be limited to the industrial sector. But I draw these trends out since the analysis of Leys (1978) and Swainson lean heavily upon the emergence of an indigenous bourgeoisie in this sector, particularly in large scale manufacturing. The slow growth of the manufacturing sector is reflected in the share of manufacturers in exports where, despite repeated trumpeting of improved performance, their share remained essentially static over the time period (Table III).

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<tr>
<td>Intermediates</td>
<td>61.4</td>
<td>59.5</td>
<td>61.9</td>
<td>72.2</td>
<td>66.7</td>
</tr>
<tr>
<td>Final consumption</td>
<td>25.8</td>
<td>22.8</td>
<td>17.6</td>
<td>14.5</td>
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<tr>
<td>Petroleum, gas, coal</td>
<td>11</td>
<td>10.7</td>
<td>16.9</td>
<td>23.2</td>
<td>28.2</td>
</tr>
</tbody>
</table>

Source: Statistical Abstract 1977, Tables 78 (a) – (e).
Table III: Share of Manufacturers in GDP and Exports, Selected Years (excluding exports to Tanzania and Uganda)

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<tr>
<td>GDP</td>
<td>10.4</td>
<td>11.2</td>
<td>12.8</td>
<td>13.3</td>
<td>12.4</td>
<td>12.1</td>
<td>12.7</td>
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<tr>
<td>Exports</td>
<td>11.5</td>
<td>11.8</td>
<td>12.6</td>
<td>13.1</td>
<td>13.2</td>
<td>11.8</td>
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Sources: Statistical Abstract 1977, Tables 45a and 59(a); Statistical Abstract 1975, Tables 44a and 55(a); Economic Survey 1978, Table 2.1.

In the same period there has been a steady worsening in the balance of payments and trade as shown in Table IV below. While these problems were alleviated by the boom in coffee prices in 1977-8, they returned very quickly as coffee prices moderated and by the end of 1978 the balance of trade was back in the red. It is an inescapable conclusion that there is an underlying and growing deficit on trade. The more positive picture on invisibles is largely accounted for by the contribution of the tourist industry. But, even taking this into account, the deficit on the current account is large and is growing despite the temporary benefits of the coffee boom in 1976 and 1977.

Leys (1978) also suggests that:

Private capital inflows began to exceed profit outflows after 1970 and while the various measures taken after 1970 to curb hidden transfers to surplus (via over invoicing, management and patent fees, etc.) could only be partially successful, covert outflows seem rather unlikely to have equalled, let alone exceeded the real rate of total net capital inflows . . . (p.246) . . . The main measures taken against hidden transfers were withholding tax on licence, patent and management fee payments, and a system of inspection of all imports in the country of origin (footnote 18).

However my own research undertaken for the Kenyan government (and unfortunately therefore not available for publication) suggests that there has been little or no curbing of such transfer pricing. A preliminary investigation of five traded items showed transfer pricing on an annual basis of over K£6 million, with over-invoicing of two sets of equipment purchases of over K£1.5m, and substantial over-invoicing of service charges which frequently exceeded declared profits, particularly in joint ventures with parastatal organisations. An evaluation of the private firm monitoring transfer pricing suggested that, if anything, the cost of their services substantially exceeded the resultant savings in foreign exchange. Moreover, the large stock of foreign investment has led to declared surplus transfer which exceeds equity inflows, thereby exacerbating balance of payments difficulties. This trend can be seen from Table V below which lists surplus outflows (dividends, plus a large proportion of rentals, royalties, technical/management/consultancy/professional fees, directors/head office expenses, commission/commitment/agency fees and inter-company accounts) and inflows for the period May 1977 to April 1978. It is interesting to note that outgoing technical/management/consultancy/professional fees alone exceeded new capital inflows, while the outflow of dividends on past investments exceeded the inflow of new investments by 67%. A significant proportion of the surplus generated therefore seeps abroad.

In summary, therefore, there is little evidence of any profound change in economic structure. Kenya remains a predominantly agricultural economy exporting primary products and importing manufactures. Although import substitution has seen some change in the composition of imports the underlying pattern is one of increasing balance of payments problems. Heavy new outflows of
surpluses, largely arising from foreign investment further exacerbate these balance of payments difficulties.

Table IV: Kenya's Balance of Payments, 1966-1978 (£m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Trade in Physical Goods</th>
<th>Trade in Services</th>
<th>Overall Balance of Payments</th>
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<tbody>
<tr>
<td></td>
<td>Imports</td>
<td>Exports</td>
<td>Goods and services</td>
</tr>
<tr>
<td></td>
<td>111.8</td>
<td>114.8</td>
<td>184</td>
</tr>
<tr>
<td></td>
<td>86.8</td>
<td>62.9</td>
<td>95.5</td>
</tr>
<tr>
<td></td>
<td>-25</td>
<td>-51.8</td>
<td>-88.5</td>
</tr>
</tbody>
</table>

**Sources:** Economy Survey 1979, Table 4.9; Economic Survey 1978, Table 4.9; Economic Survey 1977, Table 3.1; Economic Survey 1974, Table 1.13; Statistical Abstract 1977, Table 56; Economic Survey 1972, Table 1.13; Economic Survey 1970, Table 1.12.

Table V: Invisible Transactions, Including Surplus Outflows and Inflows, 1977-8

<table>
<thead>
<tr>
<th>Category</th>
<th>1977</th>
<th>1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>9,079,418</td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>17,664,143</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>13,696,019</td>
<td></td>
</tr>
<tr>
<td>Rentals</td>
<td>13,634</td>
<td></td>
</tr>
<tr>
<td>Royalties</td>
<td>1,003,593</td>
<td></td>
</tr>
<tr>
<td>Technical/Management/Consultancy/Professional fees</td>
<td>12,129,746</td>
<td></td>
</tr>
<tr>
<td>Directors'/Head Office expenses</td>
<td>3,027,229</td>
<td></td>
</tr>
<tr>
<td>Commission/Commitment Agents fees</td>
<td>3,575,879</td>
<td></td>
</tr>
<tr>
<td>Intercompany accounts</td>
<td>24,394,192</td>
<td></td>
</tr>
<tr>
<td>Loan repayments and capital repatriation</td>
<td>32,157,992</td>
<td></td>
</tr>
<tr>
<td>Inflow of new equity capital</td>
<td>10,579,671</td>
<td></td>
</tr>
</tbody>
</table>

**c. Economic growth**

The growth of the Kenyan economy has not in fact been as rapid as has been believed. As is shown in Table VI below there was a period of substantial growth in per capita incomes between 1964 and 1973, but this subsequently tailed off. The rise in per capita incomes in 1977 and 1978 is almost entirely due to the dramatic rise in coffee prices and it is unlikely that real per capita incomes in 1979 (which are not available at the time of writing) will have exceeded those in 1973. If coffee and tea earnings had remained at their 1975 levels, then real per capita incomes (in 1972 prices) would have been only £51.4 in 1977.

Table VI: Real Per Capita Income (£1972) and Population Growth, 1964-76

<table>
<thead>
<tr>
<th>Year</th>
<th>Real Per Capita Income (£1972)</th>
<th>Population Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>43.2</td>
<td>101</td>
</tr>
<tr>
<td>1968</td>
<td>49.8</td>
<td></td>
</tr>
<tr>
<td>1969</td>
<td>49.5</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>51.4</td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>52.2</td>
<td></td>
</tr>
<tr>
<td>1972</td>
<td>54.6</td>
<td></td>
</tr>
<tr>
<td>1973</td>
<td>55.3</td>
<td></td>
</tr>
<tr>
<td>1974</td>
<td>55.7</td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>54.3</td>
<td></td>
</tr>
<tr>
<td>1976</td>
<td>55.2</td>
<td></td>
</tr>
<tr>
<td>1977</td>
<td>57.9</td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>59.1</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** For GDP: Statistical Abstract 1975, Table 44(b); Statistical Abstract 1977, Table 45(b); Economic Survey 1978; Economic Survey 1979; For population growth: Kenya Statistical Digest, Vol.LXV No.4 and Vol.XI, No.2.

Leys (1978) points to a further indicator of economic growth, that of increases in labour productivity. However the conclusions which are drawn are open to question for two reasons. Firstly he takes no account of inflation in calculating the 'just under 20%' increase in the productivity of labour between 1969 and
1973. But secondly, and much more importantly, such an increase in the productivity of labour in a particular sector alone is a poor indicator of generalized growth, since it might have occurred at a high cost in terms of fixed capital and imports.

In fact this is precisely what has occurred in Kenya over the years. Accumulation in the industrial sector has taken place in plants which are of low productivity when compared to global productivity levels and which have required heavy protection. Hence even the heavy effective protection offered to the textile industry has had to be supplemented by import controls on so-called 'second-hand clothing' (in fact brand new clothes imported from Hong Kong), at a significant cost to the consumer. For example, according to the Integrated Rural Survey, rural consumers spend about 17% of their total incomes on clothing. The ban on the import of 'second-hand clothing' more than doubled the cost to the consumer. Hence this act of protection alone reduced total rural incomes by more than 8%! Similarly the decision to assemble commercial vehicles has not necessarily had the desired effect. In one case, that of Volkswagen microbuses, the foreign exchange costs of the kits even exceeded that of fully built-up vehicles.

Industrialisation in Kenya has therefore been of a heavily-protected nature and has been paid for by consumers of non-food products, particularly in the rural areas, who for most of the period have suffered adverse terms of trade with the industrial sector (see Table VII below), compared to those prevailing at independence in 1964. Taking into account the drain of surplus via the terms of trade, the channelling of savings through the banking network and state development expenditure in rural areas, Sharply (cited in Maitha) estimated a transfer of surplus from rural to urban areas of £49.6m in 1964, rising to £123.4m in 1974 and totalling £681.2m in the period 1964-1974.

Table VII: Price Index for Agricultural and Non-agricultural Products, and Domestic Terms of Trade between the Two Sectors, 1964-1976

<table>
<thead>
<tr>
<th>Year</th>
<th>Weighted index of prices received by the agricultural sector for crops, livestock and dairy products</th>
<th>Weighted index of non-agricultural prices paid by the agricultural sector for inputs and consumer items</th>
<th>Domestic terms of trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1965</td>
<td>96.8</td>
<td>105.5</td>
<td>91.8</td>
</tr>
<tr>
<td>1966</td>
<td>99</td>
<td>108.7</td>
<td>91</td>
</tr>
<tr>
<td>1967</td>
<td>96.5</td>
<td>109.6</td>
<td>88</td>
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<tr>
<td>1968</td>
<td>95.4</td>
<td>110.1</td>
<td>86.7</td>
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<tr>
<td>1969</td>
<td>96</td>
<td>109.3</td>
<td>87.8</td>
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<tr>
<td>1970</td>
<td>103</td>
<td>110.7</td>
<td>93.1</td>
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<tr>
<td>1971</td>
<td>102.8</td>
<td>119.5</td>
<td>86</td>
</tr>
<tr>
<td>1972</td>
<td>117.6</td>
<td>126.1</td>
<td>93.2</td>
</tr>
<tr>
<td>1973</td>
<td>151.6</td>
<td>145.4</td>
<td>104.8</td>
</tr>
<tr>
<td>1974</td>
<td>151.9</td>
<td>179.2</td>
<td>84.8</td>
</tr>
<tr>
<td>1975</td>
<td>171.6</td>
<td>208.5</td>
<td>82.3</td>
</tr>
<tr>
<td>1976</td>
<td>254</td>
<td>224.5</td>
<td>113.1</td>
</tr>
</tbody>
</table>

Source: Terms of Trade Tables, J. Sharpley, Mimeo, Nairobi, 1978. Note that the terms of trade in the third volume are obtained by placing column 1 over column 2. If the terms of trade are less than 100 then the prices received by the agricultural sector have fallen more than those it buys; if the terms of trade are more than 100, then agricultural prices have risen more than the prices of inputs and manufactured goods.
Such industrialization was thus financed by modest gains in agricultural productivity, particularly in the 1960s. However, as Leys (1978) points out, increases in agricultural productivity have begun to tail off. He sees the powerful place of 'middle peasant household production in agricultural' (p.261) as an obstacle to growth in agriculture. It appears that whatever direction class formation in the countryside will take two factors will limit further growth in the sector. The first concerns the non-availability of good agricultural land with all suitable land now under cultivation. Second, perhaps more importantly, Kenya which until now has largely been self-sufficient in food production faces the future with the probability of ongoing and increasing deficits in food supply and demand. The trend growth in agricultural productivity has been lower than that of population growth with little likelihood that this relationship will be changed in the future.

The consequence of this discussion, therefore, is to place doubts upon the much vaunted past economic performance of the Kenyan economy. Some limited structural transformation occurred between Independence and the early 1970s, and was accompanied by a significant increase in per capita incomes. Since then real per capita incomes have stagnated and accumulation in industry has been financed by limited growth in agricultural productivity, balance of payments deficits and the temporary boom in coffee prices. However, now that coffee prices have fallen nearer to the long-run trend price and agricultural growth has begun to peter-out, serious doubts must be placed on the long-run growth potential of the economy and the sustainable nature of protected industrialization and the consequent mode of accumulation. An indication of this has been the decreasing inflow of foreign investment with most new projects being joint ventures between machinery and service suppliers (who extract their surpluses in forms other than dividends) in joint ventures with parastatal agencies and Development Banks.

ii. The Indigenous Industrial Bourgeoisie in Kenya
Leys (1978) points to the failure of his earlier analysis to foresee the emergence of an indigenous industrial bourgeoisie. This failure was said to arise from an analysis preoccupied with what was currently in existence. But the works of Swainson and the impressions gained in a recent visit to Kenya seem to have led Leys to accept that even if the indigenous industrial bourgeoisie is not yet fully-formed, its emergence — in contradistinction to an 'auxiliary bourgeoisie' in alliance with foreign capital — is only a matter of time.

There are two important origins of such an indigenous industrial bourgeoisie. The first is from the pool of small, petty accumulators amongst whom may emerge the large scale independent industrialists of the future. Of this group we have little to say, but merely remark that my 1975 studies of such industrialists point to their very small scale nature and their investment in technologies which show little scope for intensified accumulation, but expand extensively through replication. The second source of future industrialists is from the group which is currently engaged in large scale accumulation, assisted through links with the state and/of foreign capital. My comments on the existence of an indigenous industrial bourgeoisie are based on an analysis of this latter group of industrialists.

Noting the dangers of linear extrapolation in a dynamic situation of class formation, we can proceed to an analysis of the characteristics of existing industrialists in large scale enterprises. As pointed out earlier, the empirical information is
drawn from a detailed study of ownership patterns in all large scale manufacturing activities and all tourist firms operating in 1976. The source material was drawn from annual returns of such companies to the Companies Registrar in Nairobi. As part of these annual returns, each company is required to name all current directors, and to list all other companies of which they were directors.

In our study of these firms (of which, including information collected to determine ultimate ownership, we have detailed records of around 2,000 firms) the names of some individuals recurred. Basically these people can be divided into three different groups, namely:

a. Those of settler origin (e.g. The Block family, Madhavani, Chandaria, Sir Ernest Vasey, the Bellhouse family, M.W. Harley, etc.).
b. Indigenous Kenyans holding directorships purely on an ex-officio basis (e.g. L. Kibinge, Permanent Secretary of the Ministry of Commerce and Industry).
c. Indigenous Kenyans holding directorships in firms in which they have an active interest, as well as in firms in which they acted on an ex-officio basis.

The analysis below is based upon the third group of individuals. The information was obtained by chasing-up the detailed ownership patterns of all firms in which they were listed as directors. From this information their activities are divided into firms in which they were directors without holding shares, and firms in which they also had a personal interest. (This is not a complete set of all their personal holdings. But, since they arise from an investigation of the ownership of all tourist and large-scale manufacturing firms in 1976, I believe that it includes their major industrial holdings and a large proportion of their significant non-industrial and non-agricultural holdings.) Twelve accumulators of this sort (i.e. in category (c) above) emerged during the course of this study, and the details of their ex-officio directorships and their directorships in firms in which they have personal holdings are shown in Tables Vila, b and c. In reviewing this list it is noticeable that:

i. Most indigenous accumulators have links with foreign capital, even if we only consider the firms in which they have a direct stake. But even some of the accumulators who are not in joint ventures with foreign capital are linked through licensing agreements. For example, J.K. Kalinga (owner of J.K. Industries) produces a wide range of plastic articles under licence from various foreign firms. In one case this comprises a licence to produce toothbrushes with a Norwegian firm. The royalties (at 10% of net sales with a minimum fee) are more onerous than almost all royalty agreements between foreign firms and their Kenyan subsidiaries (usually less than 5% of net sales). Moreover the agreements specifies minimum expenditures on marketing (of which 25% goes to the Norwegian firm as a Marketing Service Fee) and provides for comprehensive control over production, machine inputs and marketing by the foreign firm. Hardly a sign of an 'independent accumulator'.

ii. As yet, with the exception of Ngengi Muigai and Udi Gecaga, the scale of these investments are modest.

iii. Only five of these accumulators have investments in more than one manufacturing firm. In Karume's case, this comprises holdings in two saw mills and shares in Tiger Shoe Co. (a company, often wrongly characterised as being in conflict with foreign capital). Matiba's manufacturing activities comprise of two flower nurseries and a share in a construction company run by two ex-settlers. Wanjigi (a former head of the ICDC, the Government's major parastal in manufacturing) has investments in three manufacturing firms — in two cases he has a very small shareholding (in Bata, a foreign firm, and in Carbacid, owned by ex-settlers) and, in addition, is engaged in a joint venture with two other Kenyans, making concrete pipes. Once again only Gecaga and Muigai stand out as having holdings in numerous industrial enterprises.

iv. Gecaga and Muigai are in a group apart. Both used close family relationships with Kenyatta to build their empires and amongst Kenyan industrialists Muigai is known as the political heavyweight and Gecaga as the shrewd businessman. Of the two, Muigai has distanced himself further from foreign capital, and after his takeover of Mackenzie Kenya, (from which he has now been excluded) he has begun to expand his manu-
facturing interests. Gecaga, despite what is often believed, remains closely allied to Lonrho, as can be seen in his operation of an exclusive Lonrho technology to make a modern substitute for traditional beers (Chibuku). Perhaps the best example of the alliance and close identity between these two accumulators and foreign capital is their joint investments in the new vehicle assembly plant in Mombasa, AVA. The state, through the Treasury and the Industrial Development Bank (IDB), holds a nominal majority equity (51%) in AVA, the remaining shares being held equally by Lonrho and a joint Gecaga-Muigai Company. Real control over AVA is however held by the minority parties and is exercised through a technical services agreement with a Kenyan registered firm representing Gecaga, Muigai, Inchcape and Lonrho. The function of this agreement (which provides comprehensive control over a complete range of decisions), as I was told by the General Manager appointed under the terms of the agreement, was to take all decisions away from the Board of Directors. Although it is too early to offer proof, it appears as if this control will be used to shift the realization of surplus away from the point of production (where profits have to be shared with the state) to distribution (where Lonrho, Gecaga and Muigai control all of the outlets) and possibly even in the purchasing of knocked down kits where these three minority parties may act as intermediaries.

The point of discussing this example at great length is to illustrate that even the two most prominent indigenous accumulators are in very close alliance with foreign capital in a joint venture contracted in very recent years (1976-1978).

Although the argument for the pre-eminence of a 'national bourgeoisie' does not necessarily preclude any links with foreign capital, the extensive links which these 12 industrialists have with foreign capital as well as their almost total reliance on foreign technology and market power, makes it difficult to see them in such a pre- eminent position.

One further point needs to be made and this is that it is by no means certain that indigenous ownership will lead to local reinvestment, since there is an observed tendency for even local capitalists to repatriate surplus abroad. As the accountant of a large multinational accounting firm remarked of his clientele (comprising both foreign capital and indigenous capitalists), the indigenous capitalists were more guilty of 'transfer pricing' than the foreign subsidiaries. Furthermore, the evidence (see my article in No.14 of this Review) suggests that the types of investments made by local capitalists are often indistinguishable from those made by foreign capital.

However there is no doubt, as any discussions with aspirant indigenous industrialists will rapidly show, that there exists a very strong desire to supplant foreign capital. Moreover there are pockets in the State (e.g. the Central Bank and parts of the Ministry of Commerce and Industry) which offer clear support for these aspirations. What remains dubious is the extent to which such aspirations can be met. Although these are yet early days to reach a definitive viewpoint the discussion which follows below on ownership, control and the role of the state will provide the reader with further insights.

iii. The Transfer of Ownership and Control from Foreign to Local Capital

In discussing the extent to which ownership has been transferred from foreign to local capital over the years, I shall draw upon the major conclusions of the study which I have undertaken for the NCCK. Before presenting the data, however, a number of qualifications: First the data only refers to large-scale manufacturing (i.e. firms employing more than 50 workers) and all (small and large) tourist and hotel firms. As Leys (1978) points out, ownership in agriculture (except for some of the large estates) is now almost entirely indigenous, as is much of small scale industry and services. Second, in the data which is presented below, Kenyan ownership, due to the nature of Company Annual Returns, refers only to the place of residence of the ultimate owners and does not distinguish between
citizens and non-citizens, nor between indigenous and non-indigenous citizens. In calculating the place of residence of the 'owners' I have worked my way through the various holding companies to determine the place of residence of the ultimate owners. For example, The Standard Newspaper is wholly owned by a Kenyan public firm, Consolidated Holdings. However 50.3% of Consolidated Holdings was owned by Lonrho (and the remainder by local residents). The 'foreign' share of Standard is thus calculated as 50.3%. In other cases it was necessary to go through numerous holding companies – thus we have information for over 2,000 firms, although only 421 fit into the category of 'large scale manufacturing and tourism'. And third, in analysing the data of the 421 firms operating in 1976, I have divided them into three groups, distinguishing between different sectors, size groups and foreign ownership groups.

Ownership
The basic data on ownership, considered by sector and size group, is shown in Table IX below. At first glance, the overall conclusions seem to validate the assertion that there has been a transfer of ownership from foreign to local capital. The share of total issued capital owned by foreign residents plummeted dramatically between 1966 and 1976 from 59.3% to 42% and although there were some exceptions (e.g. in the wood, furniture, paper, printing and large tourist sectors), this pattern seemed to be common to most sectors and size-groups of firms.

In view of this decline in overall ownership held by foreign residents we might be tempted to conclude that because Kenyan residents owned more of the economy in 1976 than in 1966, they therefore had greater control over it. However a more detailed look at the data on ownership points to a different conclusion. In Table X we break down the extent of foreign ownership into those firms where foreign residents controlled various proportions of the total issued capital. From this table we can note that one of the main reasons why the overall share of foreign ownership declined was because there was a very marked tendency of the wholly-owned foreign subsidiaries to sell off a minority of their shares to local residents. Thus whereas over three-quarters of foreign capital was in wholly owned subsidiaries in 1966, this proportion fell to less than half by 1976. However these firms seldom sold off more than fifty per cent of their shares so that they have been able to keep control over their subsidiaries despite the respectability gained by selling-off shares to local residents. Whereas 7.5% of foreign investment in 1966 was in firms controlled more than 50% by Kenyan residents, this actually fell slightly to 6.4% by 1976.

A more striking confirmation of this pattern emerges from Table XI below. The information in this table concerns all these firms (of which there were 263) which operated in both 1966 and 1976. The table shows that whereas 59.3% of all these firms were wholly Kenyan owned in 1966, this percentage fell to 50% in 1976, and while 68.8% were majority Kenyan owned in 1966, this figure fell to 64.6% in 1976. In fact more firms changed from majority Kenyan to majority foreign ownership (that is 20) than from majority foreign to majority Kenyan ownership (that is 9 between 1966 and 1976)!

Given the fact (in Table X) that the bulk of foreign investment (by value) moved from wholly foreign owned to majority foreign owned, the results in Table X suggest that at the same time some of the smaller foreign firms increased their holdings from majority – to wholly – foreign ownership in the same period.
### Table VIIIa: Directorships without

<table>
<thead>
<tr>
<th>Name</th>
<th>Total No. of Firms</th>
<th>Indigenous Kenyans</th>
<th>Non Indigenous Kenyans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justus K. Kalinga</td>
<td>2</td>
<td>1</td>
<td>2,500</td>
</tr>
<tr>
<td>James Njenga Karume</td>
<td>3</td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td>Peter Muiga Kenyatta</td>
<td>4</td>
<td>2</td>
<td>105</td>
</tr>
<tr>
<td>J. Matere Keriri</td>
<td>25</td>
<td>2</td>
<td>467,000</td>
</tr>
<tr>
<td>Kenneth Matiba</td>
<td>12</td>
<td>2</td>
<td>1,300</td>
</tr>
<tr>
<td>Ngengi Muigai</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charles Njonjo</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dunstan Omari</td>
<td>29</td>
<td></td>
<td>484,477</td>
</tr>
<tr>
<td>Charles Rubia</td>
<td>8</td>
<td>3</td>
<td>2,717,000</td>
</tr>
<tr>
<td>James Maina Wanjigi</td>
<td></td>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td>Francis Mwangi Thuo</td>
<td>5</td>
<td>2</td>
<td>N.A.</td>
</tr>
<tr>
<td>Eliud Mathu</td>
<td>57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Udi Gecaga</td>
<td>24</td>
<td>2</td>
<td>189</td>
</tr>
</tbody>
</table>

*For Tables VIIIa, b, c, total number of firms is lower than summation ventures between different categories of investors.

### Table VIIIb: Directorships with Personal

<table>
<thead>
<tr>
<th>Name</th>
<th>Total No. of Firms</th>
<th>Nuclear Family</th>
<th>Indigenous Kenyans (non-family)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justus K. Kalinga</td>
<td>4</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>James Njenga Karume</td>
<td>14</td>
<td>2</td>
<td>46,800</td>
</tr>
<tr>
<td>Peter Muiga Kenyatta</td>
<td>15</td>
<td>0</td>
<td>62,000</td>
</tr>
<tr>
<td>J. Matere Keriri</td>
<td>5</td>
<td>1</td>
<td>99</td>
</tr>
<tr>
<td>Kenneth Matiba</td>
<td>18</td>
<td>1</td>
<td>99</td>
</tr>
<tr>
<td>Ngengi Muigai</td>
<td>10</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Charles Njonjo</td>
<td></td>
<td>1</td>
<td>768,500</td>
</tr>
<tr>
<td>Dunstan Omari</td>
<td>5</td>
<td>2</td>
<td>203</td>
</tr>
<tr>
<td>Charles Rubia</td>
<td>4</td>
<td>1</td>
<td>4,000</td>
</tr>
<tr>
<td>James Maina Wanjigi</td>
<td>11</td>
<td>4</td>
<td>1,003</td>
</tr>
<tr>
<td>Francis Mwangi Thuo</td>
<td>6</td>
<td>3</td>
<td>2,040</td>
</tr>
<tr>
<td>Eliud Mathu</td>
<td>8</td>
<td>3</td>
<td>8,002</td>
</tr>
<tr>
<td>Udi Gecaga</td>
<td>11</td>
<td>5</td>
<td>520,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>Total No. of Firms</th>
<th>Personal Equity K£</th>
<th>Total Equity K£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justus K. Kalinga</td>
<td>2</td>
<td>2500</td>
<td>10000</td>
</tr>
<tr>
<td>James Njenga Karume</td>
<td>3</td>
<td></td>
<td>230000</td>
</tr>
<tr>
<td>Peter Muiga Kenyatta</td>
<td>4</td>
<td>105</td>
<td>467000</td>
</tr>
<tr>
<td>J. Matere Keriri</td>
<td>25</td>
<td>2</td>
<td>1300</td>
</tr>
<tr>
<td>Kenneth Matiba</td>
<td>12</td>
<td>2</td>
<td>99</td>
</tr>
<tr>
<td>Ngengi Muigai</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charles Njonjo</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dunstan Omari</td>
<td>29</td>
<td>7</td>
<td>484477</td>
</tr>
<tr>
<td>Charles Rubia</td>
<td>8</td>
<td>3</td>
<td>2717000</td>
</tr>
<tr>
<td>James Maina Wanjigi</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Francis Mwangi Thuo</td>
<td>5</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Eliud Mathu</td>
<td>57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Udi Gecaga</td>
<td>24</td>
<td>2</td>
<td>189</td>
</tr>
</tbody>
</table>
### Personal Shareholding by Ownership*

<table>
<thead>
<tr>
<th>No.</th>
<th>Total Equity K£</th>
<th>No.</th>
<th>Total Equity K£</th>
<th>No.</th>
<th>Total Equity K£</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>66,000</td>
<td>1</td>
<td>30,000</td>
<td>3</td>
<td>655,000</td>
</tr>
<tr>
<td>18</td>
<td>12,949,933</td>
<td>2</td>
<td>1,616,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>520,000</td>
<td>4</td>
<td>N.A.</td>
<td>1</td>
<td>200,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19</td>
<td>9,819,362</td>
<td>1</td>
<td>12,342,983</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>850,000</td>
<td>3</td>
<td>15,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3</td>
<td>809,693</td>
<td>2</td>
<td>1,600,000</td>
</tr>
<tr>
<td>57</td>
<td>32,274,341</td>
<td>1</td>
<td>7,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>22</td>
<td>14,282,101</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Individual column numbers due to fact that some firms are joint.

### Shareholding in Firms by ownership

#### Non Indigenous Kenyans

<table>
<thead>
<tr>
<th>No.</th>
<th>Personal Equity K£</th>
<th>Total Equity K£</th>
<th>Parastatal</th>
<th>Personal Equity K£</th>
<th>Total Equity K£</th>
<th>Foreign Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>2,416</td>
<td>9,435</td>
<td>2</td>
<td>2,575</td>
<td>52,500</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>500</td>
<td>101,000</td>
<td>1</td>
<td>688</td>
<td>1,600</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>913</td>
<td>5,943</td>
<td>4</td>
<td>115,480</td>
<td>1,064,000</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>C30,000</td>
<td>798,100</td>
<td>1</td>
<td>N.A.</td>
<td>53,500</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>242</td>
<td>1,004</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1,000</td>
<td>25,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>11,008</td>
<td>1,008,002</td>
<td>1</td>
<td>2,240</td>
<td>5,600,000</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1,598</td>
<td>7,600</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>6,750</td>
<td>15,000</td>
<td>1</td>
<td>3,480</td>
<td>60,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td>1,650,000</td>
<td>5,063,671</td>
<td></td>
</tr>
</tbody>
</table>
Table VIIIc: Sectoral Distribution of Firms with Personal Shareholding

Number of firms in each sector

<table>
<thead>
<tr>
<th>Industry</th>
<th>Commerce</th>
<th>Services</th>
<th>Transport</th>
<th>Farming</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justus K. Kalinga</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>James Njega Karume</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Peter Muiga Kenyatta</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>J. Matere Keriri</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenneth Matiba</td>
<td>3</td>
<td></td>
<td></td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Ngengi Muigai</td>
<td>7</td>
<td>3</td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Charles Njonjo</td>
<td>1</td>
<td>1</td>
<td></td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Dunstan Omari</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Charles Rubia</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>James Maina Wanjigi</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Francis Mwangi Thuo</td>
<td></td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eliud Mathu</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Udi Gecaga</td>
<td>4</td>
<td></td>
<td></td>
<td>3</td>
<td>7</td>
</tr>
</tbody>
</table>

*Holding companies are used to control investments in the other sectors included in this table.
Table IX: Foreign Ownership of a Large Scale Manufacturing and of All Tourist Firms, 1966-76

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total owned</td>
<td>Total owned</td>
<td>Total owned</td>
<td>Total owned</td>
</tr>
<tr>
<td></td>
<td>issued capital K£</td>
<td>issued capital K£</td>
<td>issued capital K£</td>
<td>issued capital K£</td>
</tr>
<tr>
<td>a. By industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food, beverages</td>
<td>14,876,072</td>
<td>7,250,526</td>
<td>48.7</td>
<td>45,863,454</td>
</tr>
<tr>
<td>Textiles, leather</td>
<td>2,150,727</td>
<td>1,223,597</td>
<td>56.9</td>
<td>14,849,560</td>
</tr>
<tr>
<td>Wood, furniture</td>
<td>435,660</td>
<td>5,000</td>
<td>1.2</td>
<td>1,264,697</td>
</tr>
<tr>
<td>Paper, printing</td>
<td>528,486</td>
<td>5,291</td>
<td>1</td>
<td>8,104,734</td>
</tr>
<tr>
<td>Chemicals, rubber</td>
<td>8,628,955</td>
<td>7,698,132</td>
<td>89.2</td>
<td>19,121,916</td>
</tr>
<tr>
<td>Pottery, glass</td>
<td>2,241,450</td>
<td>1,126,352</td>
<td>50.3</td>
<td>2,337,000</td>
</tr>
<tr>
<td>Basic materials</td>
<td>300,004</td>
<td>100,003</td>
<td>33.3</td>
<td>2,100,000</td>
</tr>
<tr>
<td>Fabricated metal products</td>
<td>1,814,776</td>
<td>1,154,340</td>
<td>63.6</td>
<td>8,713,301</td>
</tr>
<tr>
<td>Other manufacturing</td>
<td>103,770</td>
<td>73,614</td>
<td>70.9</td>
<td>443,008</td>
</tr>
<tr>
<td>Total manufacturing</td>
<td>31,079,540</td>
<td>18,636,831</td>
<td>60</td>
<td>44,914,116</td>
</tr>
<tr>
<td>Large tourist</td>
<td>785,190</td>
<td>13,181</td>
<td>1.7</td>
<td>7,709,327</td>
</tr>
<tr>
<td>Small tourist</td>
<td>51,015</td>
<td>NA</td>
<td>NA</td>
<td>1,366,281</td>
</tr>
<tr>
<td>b. By size of issued capital (K£)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-99</td>
<td>66</td>
<td>6</td>
<td>9.1</td>
<td>115</td>
</tr>
<tr>
<td>100-999</td>
<td>3,762</td>
<td>987</td>
<td>26.2</td>
<td>4,760</td>
</tr>
<tr>
<td>1,000-9,999</td>
<td>240,460</td>
<td>30,325</td>
<td>12.6</td>
<td>307,650</td>
</tr>
<tr>
<td>10,000-49,999</td>
<td>1,690,014</td>
<td>481,869</td>
<td>28.5</td>
<td>2,258,508</td>
</tr>
<tr>
<td>50,000-199,999</td>
<td>5,000,130</td>
<td>2,629,740</td>
<td>52.6</td>
<td>12,331,231</td>
</tr>
<tr>
<td>200,000-999,999</td>
<td>10,370,875</td>
<td>5,574,177</td>
<td>5.4</td>
<td>33,407,599</td>
</tr>
<tr>
<td>Over 1,000,000</td>
<td>1,737,406</td>
<td>9,932,896</td>
<td>70.1</td>
<td>63,562,890</td>
</tr>
<tr>
<td>Total</td>
<td>31,439,046</td>
<td>18,650,000</td>
<td>59.3</td>
<td>111,872,750</td>
</tr>
</tbody>
</table>
Table X: Breakdown of Foreign Ownership by its Share in Each firm, 1966-1976

<table>
<thead>
<tr>
<th>Foreign ownership group</th>
<th>Foreign owned issued capital (£K)</th>
<th>% Share of total</th>
<th>Foreign owned issued capital</th>
<th>% Share of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1-10</td>
<td>35,439</td>
<td>.2</td>
<td>225,002</td>
<td>.5</td>
</tr>
<tr>
<td>11-25</td>
<td>96,847</td>
<td>.5</td>
<td>550,104</td>
<td>1</td>
</tr>
<tr>
<td>26-50</td>
<td>1,260,140</td>
<td>6.8</td>
<td>2,186,028</td>
<td>4.9</td>
</tr>
<tr>
<td>51-95</td>
<td>3,012,504</td>
<td>16.2</td>
<td>21,584,140</td>
<td>48</td>
</tr>
<tr>
<td>96-100</td>
<td>14,192,912</td>
<td>76.3</td>
<td>44,964,310</td>
<td>45.4</td>
</tr>
<tr>
<td>Total</td>
<td>18,597,842</td>
<td>100</td>
<td>44,964,310</td>
<td>100</td>
</tr>
</tbody>
</table>

Table XI: Cumulative Number and % of Firms Operating in both 1966 and 1976 in Different Foreign Ownership groups (Number of such firms is 263)

<table>
<thead>
<tr>
<th>Share of equity held by foreign residents</th>
<th>1966</th>
<th>1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>156</td>
<td>132</td>
</tr>
<tr>
<td>0-10</td>
<td>163</td>
<td>142</td>
</tr>
<tr>
<td>0-25</td>
<td>166</td>
<td>152</td>
</tr>
<tr>
<td>0-50</td>
<td>181</td>
<td>170</td>
</tr>
<tr>
<td>0-95</td>
<td>200</td>
<td>197</td>
</tr>
<tr>
<td>Total</td>
<td>63</td>
<td>66</td>
</tr>
</tbody>
</table>

Thus it appears as if the increased share of the large-scale industrial and the tourist economy owned by Kenyan residents seems to arise from the establishment of new (small) firms by Kenyan residents, because many of the larger wholly foreign-owned firms sold off a small proportion of their shares to local residents and because of advances in ownership by parastatals. In those cases where firms existed in both 1966 and 1976 the share held by foreign firms (especially if we consider only the controlling interest) actually seemed to increase between 1968 and 1976. Moreover, if we were to open-up the ‘Kenyan resident’ category we would undoubtedly find that a great number of these were non-citizens and that many of the citizens were of non-indigenous origin. An indication of this is that whereas only 13.7% of total issued capital in 1976 was British based, 31.9% of the total number of directors were British citizens. And, further, a very large (although unspecified) share of Kenyan based investment was accounted for by state and parastatal institutions, (see Leys and Borges, 1979), thereby further reducing the ultimate share of ownership accounted for by the indigenous industrial bourgeoisie. While it is difficult to conclude that the share of foreign ownership has increased over the decade, it is equally difficult to concur with Leys and Swainson that there has been a significant transfer of ownership from foreign capital to the indigenous bourgeoisie in large scale manufacturing and tourism. At best one can conclude that little overall change occurred in the time-period.

Control

Of course ownership is not identical to control. In fact there are many reasons to believe that control is of greater relevance than ownership, since it determines the rate and nature of accumulation and the distribution of surplus. I have already given an example (J.K. Industries) to illustrate this point. But here I wish to make the generalization that foreign capital tends to command a greater degree of control over large scale manufacturing and tourism than its share of ownership. Table XII offers a further support for this generalization and from it
we can see that if we consider the citizenship of the majority of directors as a proxy for control, almost a third of all large scale manufacturing and service firms were majority controlled by foreign citizens despite being majority owned by Kenyan residents. Although some of this is accounted for by the fact that many Kenyan residents are foreign citizens, undoubtedly some cases include firms which are of a type being discussed. There was a limited advance in the proportion of firms owned and ‘controlled’ by Kenyan nationals, but the great majority of these firms were smaller, locally owned enterprises. Thus although wholly Kenyan owned firms accounted for 60% of the total number of firms in the sample, they represented only 37% of total issued capital.

Table XII: Ownership and ‘Control’, 1966-1976

<table>
<thead>
<tr>
<th>Ownership and Control</th>
<th>1966</th>
<th>1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya owned, Kenya controlled</td>
<td>67</td>
<td>187</td>
</tr>
<tr>
<td>Kenya owned, Foreign controlled</td>
<td>72</td>
<td>125</td>
</tr>
<tr>
<td>Foreign owned, Kenya controlled</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>Foreign owned, Foreign controlled</td>
<td>65</td>
<td>101</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>217</strong></td>
<td><strong>434</strong></td>
</tr>
</tbody>
</table>

*Note: ‘Control’ is defined in terms of nationality or majority of directions.*

In summary, then, the evidence available does not appear to support the hypothesis that there has been a significant shift of ownership (let alone control) from foreign capital to an indigenous industrial bourgeoisie, although there seems to be a trend towards the establishment of new Kenyan owned and controlled enterprises and an advance in parastatal participation.

iv. The state as an instrument of the indigenous industrial bourgeoisie
The fourth hypothesis which can be drawn out of the re-evaluation of the Kenyan case by Leys and others concerns the role of the state. While Leys (1975) and Langdon had characterized the state as harmonising the alliance between foreign capital and the ‘auxiliary bourgeoisie’, Langdon, in particular, extends the argument to illustrate how this included an appropriation of part of the surplus by members of the state apparatus as well. The re-evaluation characterises the state as being an instrument used by the indigenous bourgeoisie to squeeze out foreign capital, thereby, in the view of Leys (1978), not falling into the trap of characterising the state as being relatively autonomous.

The state, of course, is not an homogenous entity. In my experience, the ‘national’ interest is most clearly articulated by the Central Bank and by middle level officers in most ministries and parastatals (a subject to which we shall return later). But the important point is to note which faction prevails when conflicts arise in actions to be taken by the state. I wish to give four examples to support my contention that the state shows little evidence of taking an antagonistic stance to foreign capital, all of which have occurred in the post 1975 period, when it is argued that the capital acquired through primitive accumulation via charcoal and ivory, and latterly through coffee, removed the capital constraint faced by the indigenous bourgeoisie in supplanting foreign capital (see Leys, 1978 pp.253-4).

a. The GEMA-Fiat Joint Venture. Leys (1978) identifies mass investment companies such as GEMA Holdings as being one instrument enabling the extension of the indigenous industrial bourgeoisie, and he points to a joint venture
with Fiat as an example of this. In actual fact this example supports an entirely different conclusion. In the post 1973 period the state decided to encourage the local assembly of commercial vehicles and after considering a number of proposals, three projects were agreed. One was a joint venture between Leyland (45%), the Treasury (35%) and a local public company distributing these vehicles (20%). The second was between General Motors (49%) and the Industrial & Commercial Development Corporation (ICDC) (51%); and the third between the Treasury (26%), the IDB (25%) and Lonrho/Inchcape/Gecaga/Muigai — the latter group representing the distributors. Finding itself excluded from a market in which it had a significant share (and which showed the potential for future growth) Fiat selected what it thought to be a very powerful local partner (GEMA Holdings) in an attempt to press its right to assemble vehicles. However, despite the undoubtedly powerful support of GEMA Holdings, the three existing MNCs in alliance with equally powerful local interests allied to foreign capital (i.e. Gecaga and Muigai) eventually managed to crush the bid by Fiat-GEMA Holdings. In this case the alliance between foreign capital and the ‘auxiliary bourgeoisie’ managed to halt the bid by local capital, insofar as it was represented by GEMA Holdings, a group hitherto not in alliance with any foreign capital.

b. ICDC- General Motors. There existed a widespread (and almost certainly correct) view in the early 1970s that profits were being transfer-priced out of Kenya through the use of management, technical service and other contracts. As a consequence a 20% withholding tax was placed upon all such fees on the assumption that half of these service fees were bogus (corporate tax being about 40%).

When GM negotiated their joint venture with ICDC, they requested that this provision be removed, since they claimed that the service fees covered real costs and it was illegitimate to tax these. The Central Bank refused this request. GM then approached ICDC, their joint venture partners, and ICDC intervened on its behalf. After a long tussle between the ICDC and the Central Bank, the issue was ultimately decided in GM’s favour and no taxes were levied on its service payments.

c. ICDC Loans. The ICDC is the largest parastatal in the industrial and service sectors and is constituted under the Ministry of Commerce and Industry. Broadly speaking the ICDC is subdivided into two different operations, its small loan schemes offering loans for small scale industry, commerce and property and the large scale ventures, where ICDC is in partnership with foreign capital and (in a few isolated cases) with local public companies.

In 1975 the state faced an acute budgetary crisis and expenditure in all ministries was limited severely. Faced with the decision to cut expenditure, the ICDC stopped all loans to small scale enterprises (almost all of whom were of indigenous origin) and continued its investments in joint ventures with foreign capital unabated.

d. Loans to foreign capital. As mentioned earlier The Central Bank repeatedly took a more ‘national’ line than other parts of the state system. In an attempt to increase the net foreign exchange inflow from foreign investment the Central Bank has over the past decade consistently attempted to limit the ability of foreign firms to borrow locally, although the precise percentages allowed have
varied over the years.

Two factors have diminished the effectiveness of this policy. The first is that the Central Bank has only had the ability to restrict borrowing from local commercial banks. In response many foreign firms have borrowed from the parastatal banks such as the IDB, the Development Finance Company of Kenya and the East African Development. A glance at the annual reports of these institutions, as well as that of the ICDC, will show extensive loans to foreign subsidiaries. The second factor limiting the success of this policy has been the tendency for exceptions to be made, particularly when parastatals and ministries have intervened in support of foreign capital.

Evidence that the policy to limit loans to foreign capital has failed can be seen from Table XIII below which provides information on the debt-equity ratios different foreign ownership groups in large scale manufacturing and all tourist firms. As can be seen there is no evidence of decreased gearing as the share of foreign ownership increased, and indeed regression analysis confirmed that the gearing ratios of wholly foreign firms (i.e. over 95%) were significantly higher than average.

No doubt these four examples do not provide conclusive evidence that the state is closely allied with foreign capital. However they do each illustrate that there is evidence that despite the representation of the ‘national’ position in some parts of the state apparatus, there are many cases of significance where the position of foreign capital has won out over that of local capital. Even if this segment of the state were to predominate, it is not clear whether this would reflect a tendency to supplant foreign capital, as Leys and Swainson argue, or to squeeze out a larger share of the surplus, perhaps for an ‘insider faction’ as Langdon argued. And, moreover, these examples are drawn from the most recent time period during which the state is supposed to have become more closely allied to the position of the indigenous bourgeoisie. Thus the state remains a ‘soft-touch’ as a joint venture partner. Whereas the declared past tax rate of return for local public companies was around 14% between 1966 and 1976, and that for foreign companies was over 30%, the Treasury currently has a rate of return of only 5% on its investments in joint ventures in large scale industry.

Successful capitalist accumulation will continue

In i. above I argued that the evidence suggests that the significant economic growth of the 1960s began to taper off in the 1970s. The accumulation which had occurred in large scale industry had been ‘inefficient’ when compared to global standards and requires a very high protection. It had been financed by growth in agricultural productivity in the 1960s (through the terms of trade), foreign loans, balance of payments deficits and, temporarily, the boom in coffee prices. But, as was pointed out, accumulation of this type faces severe, if not overwhelming, difficulties. The pattern of import substituting industrialization makes very inefficient use of foreign exchange and the underlying deepening deficit in the balance of payments is drawing the process to a halt. Moreover there are strong grounds to believe, as Leys (1978) acknowledges, that the scope for further growth in agricultural productivity is limited so that continued accumulation will almost certainly require reductions in rural consumption and in that of urban labour. As it is, real wages in large scale industry fell between 1966 and 1977; and it is an open question how much further they can decline without disturbing Kenya’s political ‘tranquility’. 
Table XIII: Debt Equity Ratios of Large-scale Manufacturing and All Tourist Firms, 1966-76

<table>
<thead>
<tr>
<th>Type of firm</th>
<th>Total Debt</th>
<th>Average Debt</th>
<th>Debt Equality</th>
</tr>
</thead>
<tbody>
<tr>
<td>By Industry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food, beverages</td>
<td>1,406,619</td>
<td>7,856,908</td>
<td>25,118</td>
</tr>
<tr>
<td>Textiles, leather</td>
<td>1,005,093</td>
<td>6,896,895</td>
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<td>Wood, furniture</td>
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<td>Chemicals, rubber</td>
<td>734,882</td>
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<td>Pottery, glass</td>
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<td>8,432,501</td>
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<td>Basic metals</td>
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<td>1,533,853</td>
<td>0</td>
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<tr>
<td>Fabricated metal products</td>
<td>515,113</td>
<td>4,856,810</td>
<td>14,718</td>
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<tr>
<td>Other Manufacturing</td>
<td>3,338</td>
<td>174,253</td>
<td>556</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>By size of issued capital (£)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-99</td>
<td>0</td>
<td>4,850</td>
<td>970</td>
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<tr>
<td>100-999</td>
<td>36,626</td>
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<td>1,000-9,999</td>
<td>744,627</td>
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<td>15,197</td>
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<td>10,000-49,999</td>
<td>726,599</td>
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<td>200,000-999,999</td>
<td>508,120</td>
<td>18,431,156</td>
<td>17,521</td>
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<td>Over 1,000,000</td>
<td>576,782</td>
<td>8,870,973</td>
<td>82,397</td>
</tr>
<tr>
<td>By share of foreign ownership (£)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
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<td>14,651,144</td>
<td>13,977</td>
</tr>
<tr>
<td>1-10</td>
<td>183,329</td>
<td>2,600,009</td>
<td>30,555</td>
</tr>
<tr>
<td>11-25</td>
<td>20,000</td>
<td>2,710,758</td>
<td>6,667</td>
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<td>26-50</td>
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<td>51-95</td>
<td>393,956</td>
<td>12,297,619</td>
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<tr>
<td>96-100</td>
<td>987,837</td>
<td>3,686,236</td>
<td>17,331</td>
</tr>
<tr>
<td>Total</td>
<td>4,190,338</td>
<td>39,312,502</td>
<td>19,673</td>
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Note: Debt-equity ratios for each group are the average of these ratios for each firm and not a group's total debt divided by its total equity.

Although it is notoriously difficult to predict future rates of growth, barring windfalls such as the discovery of oil or a sustained boom in coffee or tea prices, it is only possible to envisage continued accumulation of this type in Kenya if there is rapid growth in manufactured exports. This will not only ease the balance of payments problem, but by enabling fuller capacity utilisation and through the discipline of the international market, will allow for greater efficiency in production. Leys (1978) asserts that a successful breakthrough has been made. But the evidence certainly does not bear this out (see Tables III and IV above) and conversations I have had with KETA (Kenya External Trade Authority) confirm a rather pessimistic view on this front. Although a new export processing zone is being established and although some success has been made in enticing an Italian textile firm to this estate, future prospects for manufactured exports look bleak. It is significant therefore that the new five year plan recognises the limitations to this type of economic growth and places great emphasis on the development of small-scale industry, involving different fractions of capital than that hitherto involved and discussed in the above sections.

Conclusions
Let us return to the basic issue under discussion. At least two major and divergent viewpoints emerge from Marxist-inspired theories of underdevelopment. The
first argues that the spread of the capitalist mode of production to the periphery is inevitable and that sustainable industrial accumulation will occur in much of the periphery as a consequence. The second, and opposing, view is that it is in the nature of capitalist accumulation at the world level that sustainable industrial accumulation in the periphery is most unlikely, if impossible.

Leys (1978) responds to these generalised positions by asserting that there is no a priori evidence that such accumulation at the periphery is impossible. If the subject is to be discussed sensibly, he argues, it is important to consider the particularities of individual countries, paying attention to the indigenous origins of capitalist classes. He, and others, point to the Kenyan case as an illustration that sustained accumulation has occurred in at least one peripheral economy and that this is only explicable if one considers the indigenous roots of the accumulating class. Moreover, despite caveats expressed by Leys and Borges' recent paper, both Leys and Swainson imply that this pattern of accumulation will continue, at least in the short and medium-term.

I have tried to respond to Leys' very stimulating reassessment of an earlier position, which I believe is the correct one, by examining the Kenyan case in great detail. The extension of capitalist relations of production is not challenged. But I am more sceptical as to the past performance and sustainable nature of accumulation and in the extent to which indigenous capitalists have been able to squeeze out foreign ones. In particular, I have tried to identify five hypotheses to this latter argument and, after examining the evidence, I am drawn to the conclusion that this reassessment is not supportable.

With respect to the existence of an indigenous bourgeoisie, I believe that Leys (1978), Swainson and others are reacting to an identifiable hostility to foreign capital, and some aspects of its 'culture', which is prevalent in Kenya. In my experience these views are predominantly held by middle level civil servants and small scale industrialists in competition with foreign subsidiaries. In both cases these two groups have not gained directly from the prominent position held by foreign capital in the Kenyan economy. But what does all this have to say about the general possibilities for successful industrial accumulation at the periphery? In my view one must distinguish between three types of peripheral economies, with local geographical and strategic variations:

- Large ones with sizeable internal markets (e.g. India).
- Labour processing economies (e.g. Taiwan, Singapore).
- Small, non oil producing economies (e.g. Kenya).

Insofar as the Kenyan case can be generalised, I believe it shows that the possibilities for successful accumulation in an open economy of this type are limited whatever the historical roots of the accumulating class. While the subject obviously bears further extended discussion, it is my view that the pattern of accumulation in such economies is significantly conditioned by the nature of global accumulation and their interspersion in that global process. Economies of the first type may yet exhibit sustainable accumulation as they are able to insulate themselves from the global market. Moreover because of the large size of their internal markets, the scale of production may be large enough to support the growth of an indigenous technological capability and even for the export of capital goods to other peripheral economies.

More debatable, however, are the prospects of these peripheral economies which
have seen rapid rates of industrial and manufactured-export growth over the past two decades. It is these newly-industrialising economies, such as South Korea, Taiwan, Singapore and Hong Kong, which have largely led Warren, Leys and others to argue that peripheral economies are capable of extended economic growth through the development of their manufacturing sectors. But before their ‘success’ is generalised to other peripheral economies, it is necessary to query if the industrialisation of these economies was not the consequence of a particular phase in the development of latter-day capitalism. Clearly this is in itself an important debate and deserves fuller treatment — here we shall only sketch-out one possible line of argument.

The first two decades after the Second World War were a period of reconstruction. In all major industrial economies effective demand exceeded available supply. Then towards the mid-1960s the increasing economies of scale in production, allied with a growing ability of ‘national’ firms to meet home demand, led to the interpretation of ‘national’ capitals and the expansion of MNCs. Not only did trade grow rapidly, but so too did foreign investment which grew from US$256 billion in 1951 to $180b. in 1976. Global competition became increasingly severe, particularly in the case of the rapid penetration of the US market by the more efficient Japanese and European firms. Faced with this competition US capital initially, and then followed by competitors, began to locate parts of their production in low-wage economies. However this was always only a temporary expedient and such defensive foreign investments were rapidly met and overcome by competitors, many of whom also located parts of the production process in labour-processing zones in peripheral economies.

For these reasons it is possible that the phenomenon of manufactured-export-led growth, which underlies much of the Warren and latter-Leys position, will be a phenomenon of the past two decades. Peripheral accumulation will therefore have to depend largely upon internal markets and insofar as productivity continues to be closely associated with scale, then accumulation in small import-substituting-industrialising economies can only occur at the expense of income transfers within these economies. I have argued in earlier sections that increasingly there will be limits to such income transfers in Kenya. Is it not equally likely that this will be true of other, small peripheral economies?

Finally to observe, as I believe we have, that the arguments of Leys (1978) and Swainson do not disprove the conclusions of the dependency school does not automatically lend credence to cruder formulations of dependency theory which argue, or imply, that classes in peripheral economies are solely formed through interaction with the global economy. Clearly this is incorrect. But, I believe, there is strong evidence to argue that whatever the roots of such classes, their future development is circumscribed by the relation of the particular economy to the global economy. More specifically in relation to Kenya, I believe that the evidence shows that although an indigenous capitalist class has managed to carve out a slice of the benefits arising from accumulating in large scale industry, this has arisen from an alliance between this class and foreign capital. Not only does little prospect emerge for indigenous capital to squeeze-out foreign capital but the inbuilt contradictions of economies of this type make it difficult to foresee that such a pattern of accumulation — with or without foreign capital — can proceed in a viable form.

In conclusion, a note of caution is perhaps most relevant. Although the evidence
for Kenya seems to me to be relatively unambiguous, capitalism is an ever-changing phenomenon. It may well be that despite this period of stagnation in the 1970s and despite the evident failure of the indigenous bourgeoisie to supplant foreign capital in the fifteen years since independence, we will yet see sustainable accumulation in Kenya, dominated by an indigenous industrial bourgeoisie. But, I believe, the evidence points the other way.

Acknowledgements and Bibliographic Note:
I am grateful to Manfred Bienefeld, David Evans, David Feldman, Martin Godfrey, Reg Green and Robin Murray for their comments on an earlier draft. Since this paper was written a number of events have occurred which reinforce its conclusions. Notably these have been a dramatic crisis in the balance of payments and a consequent reduction in the squeezing of foreign investment, the exclusion of Muigai from the control of Mackenzie Kenya, and Gecaga from the Chairmanship of Lonrho Kenya, and in the importation of a significant proportion of Kenya’s food needs. Although this importation of food reflects two bad harvests, there has been a secular decline in agricultural productivity growth over the past decade and food self-sufficiency in the 1980s seems unlikely.


CAPITALIST ACCUMULATION IN KENYA – STRAW MEN RULE OK?
J.S. Henley

Kaplinsky’s paper ‘Capitalist Accumulation in the Periphery – The Kenyan Case Re-examined’ attempts to correct Colin Leys’s deviation from his previous commitment to dependency theory expounded in his book Underdevelopment in Kenya. While Leys’ book undoubtedly remains the outstanding account of the development of the post-colonial political economy of Kenya, it is not without its faults. In particular, Leys’ formulation of the development process in Kenya in that book would seem over externally determined. His recent retreat from a position of denying any autonomy to local Kenyan interests to one of recognizing the potential of the indigenous bourgeoisie for independent capital accumulation might appear an unexceptional adjustment to his original model. However, while Leys’ book upset many of Kenya’s admirers with its portrayal of Kenya as an economy run by a clique of self-seeking and parasitic compradors, his new line seems to have offended at least one Kenya watcher with a long-standing interest in its industrialization policies.
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Certainly I share Kaplinsky's concern that Leys may have been overreacting to the specific and unusual set of economic conditions prevailing in Kenya during 1977 when he returned to Kenya to review his earlier work. At that time, Kenyans were making huge fortunes out of smuggling large quantities of coffee from Uganda where the marketing system had collapsed, and reselling on the booming international market. It was said that 'red monkey disease' caught from counting large quantities of the maroon one hundred Kenya shilling denomination banknotes was endemic amongst certain groups. A vast informal market grew up over night at Chebkube on the Kenya border to sell to Uganda coffee traders commodities available for Kenyan currency but unavailable in a Uganda starved of even the barest necessities. During a few short months, primitive accumulation occurred at a truly prodigious rate though eventually world coffee prices fell back. Kenyan coffee was adulterated with inferior Ugandan varieties by the unscrupulous, and price inflation, the result of the enormous expansion of the money supply, forced the government to react to curb the 'boom'. While no doubt the heady atmosphere of '77 brought on by the removal of Kenya's perennial foreign exchange constraint stimulated much loose talk of indigenous entrepreneurial activity, I am not sure that Kaplinsky's evidence refutes Leys change of position. Leys is a good deal more cautious about the 'systematical combination of moments' than Kaplinsky gives him credit for.

First, his representation of Leys' argument seriously oversimplifies its logical structure. In particular, he completely excludes Cowen's work from his critique despite Ley's acknowledgement of this work as the starting point of his own new line. The central argument Cowen advances is that present day modes of capital accumulation amongst the Kikuyu bourgeoisie have their roots firmly located in pre-colonial Kenya. They have developed from those roots by adjusting and reacting to obstacles to accumulation through political action. While Cowen admits that one of the functions of the post-colonial state has been to mediate between foreign capital and local interests, he argues this is not its sole function, for its political base is founded on the interests of local accumulation. As Leys observes:

In noting the important role of the state in facilitating this movement of African capital out of circulation and into production we must avoid the mistake of attributing to it an independent role. Its initiatives reflected the existing class power of the indigenous bourgeoisie, based on the accumulation of capital they had already achieved (p.251).

To refute the proposition that an industrial bourgeoisie now exists in Kenya, it is necessary to demonstrate the lack of indigenous accumulation through industrial production. Kaplinsky claims to show no profound change in the economic structure even though Leys (p.255) only suggests a trend in terms of concentration 'in sufficient volume and in appropriate form for industrial investment'. Nevertheless Kaplinsky's Table VIIIb reveals that two of his chosen twelve accumulators have amassed £K 1.8m and £K 1.6m respectively — hardly a poor performance given that they were both still at university when Kenya attained independence! Even so, Kaplinsky only looks at equity shares in industry and tourism; he ignores asset values, turnover and profits attributable to shareholders; surely most reliable indicators of accumulation of wealth?

His indicators of structural change are so aggregated as to be insensitive to the kinds of changes Leys is suggesting. For example, he argues that increase in government expenditure does not represent an extension of capitalist relations of production. Perhaps this is correct but with respect to an avowedly capitalist
economy the onus of proof must lie with Kaplinsky to demonstrate that schooling and health expenditure do not improve productive forces and strengthen capitalist accumulation. His Table IV seems to be constructed to present Kenya’s balance of payments in the worst possible light, since both 1965 and 1977 were exceptional, for in these years Kenya registered a positive balance of payments on its current account, while 1971 and 1974 were the worst two years for deficits before 1978. More misleading is his assertion that Kenya has experienced a decrease in foreign investment, yet between 1975 and 1977 private long term capital inflow doubled from £K14.7m to £K30m. Of course, there are serious exchange constraints to further industrialization through import substitution. A more sympathetic observer might infer that this is likely to provide further incentives to indigenous industrial accumulators to innovate with local materials and resources. He might also have noted that two of the largest and most recent industrial projects are specifically geared to local resources, namely, furfural from maize cobs, and industrial alcohol from molasses.

He uses the establishment of vehicle assembly plants in Kenya both to argue that they are inefficient and give rise to excessive repatriation of profits and that there ought to be a fourth plant to build Fiat trucks. Quite why the groups of businessmen involved in GEMA should be more virtuous and economically efficient in their dealings with Fiat that the other villains of his piece is not clear. Is it conceivable that the economists in the Treasury at least were able to block a fourth vehicle assembly plant? His evidence on low productivity is based on hearsay and anecdote. His analysis of economic growth fails to mention that Kenya has one of the highest birth rates in the world, at around 3.2%. Hence maintaining per capital real income and agricultural production is no mean feat. For instance, between 1969 and 1977, in absolute terms production increased by 20%. His footnote suggesting a decline of 13% in per capita output fails to observe that his time period ends with a severe drought year, 1974-75.

The second part of Kaplinsky’s paper is potentially the most critical to his argument but again his evidence is ambiguous and his interpretation rather sweeping. First of all he states explicitly that he is not concerned with members of the industrial bourgeoisie who emerge from the ‘pool of small petty accumulators’ while these are precisely the group of central interest to Cowen. Again, since we are not privileged to any biographical information on his chosen twelve accumulators it is impossible to judge from whence they come. I would guess at least Njenga Karume would claim to have started his business career as a very small scale accumulator. Three are relatives of the late President Kenyatta but is it adequate to build a theory on the behaviour of two of them? Others on the list do not seem to have very large shareholdings but are nevertheless very wealthy men. How have they accumulated? If the issued share capital of a private company is only £K100 does that mean the value of the enterprise is necessarily the same amount? The Leys argument, in my view, stands or falls on the evidence of concentration of wealth, whatever its sources, coupled with active investment in industrial production. Information on shareholdings is very imperfect evidence, one way or the other.

The latter part of Kaplinsky’s paper is interesting in that it does not suggest any slackening of the grip of foreign interests of Kenya’s manufacturing industry. Even so, his Table XII indicates a threefold increase in the number of Kenyan owned and controlled firms. He notes that their issued capital was not very large
but as we have already pointed out private companies do not usually attempt to maintain any relationship between issued capital and asset values. While he is probably right to argue they are mostly small companies this is not necessarily so. It is tempting to ask how big an increase in numbers would Kaplinsky require before accepting there is an industrial bourgeoisie emerging in Kenya? Quite why a decline in real wages has any necessary bearing on the formation of this class is unclear. A better indicator might be the ‘wabenzi ratio’ — the proportion of Mercedes Benz cars to other makes on the roads of Kenya given that per capita income is more or less stable!

Kaplinsky does make some good general points about the immensity of the problems confronting autonomous industrial accumulators in peripheral economies and he is quite correct in taking Leys to task for avoiding the crucial issue of the quantitative significance of the local industrial bourgeoisie. On the other hand it is nonsense to imply all Kenyan businessmen are in hock to foreign capital. The resilience of Kikuyu entrepreneurs in adversity has been demonstrated time and time again. Since the death of Kenyatta, the assumption of power by a non-Kikuyu President, and the general election of November 1979, Rubia has become a cabinet minister; Karume and Ngengi Muigai are now assistant ministers and Matiba is an MP. Of course, if we accept Kaplinsky’s view that these people have no independent resources but are merely agents of foreign capital, then this indicates a closing of ranks at the highest political level against the nascent indigenous industrial bourgeoisie. On the other hand, if we at least partly accept Cowen’s thesis, this may be interpreted as the Kikuyu bourgeoisie pursuing its traditional strategy of political action to protect and enlarge its sphere of accumulation. In short, the struggle continues at the periphery as it has always done. Conditions change and Kaplinsky is probably right that they are getting more difficult in Kenya for independent capital accumulation by an indigenous bourgeoisie. On the other hand it is ethnocentric to imply the locals can never be expected to do anything on their own. We may deplore their choices and political methods, but that is a different issue.

KENYA: WHAT DOES ‘DEPENDENCY’ EXPLAIN?

Colin Leys

Kaplinsky’s argument brings out unusually clearly the empiricist and a-historical character of dependency theory. After fairly summarizing the main elements of the argument which I put forward, he criticizes not this, but five ‘hypotheses’ which, he thinks, may be drawn from what I and others have said; and what is most significant is that, in the end, much of what he says might be true, without affecting the validity of the argument which I put forward. The reason for this is that Kaplinsky, like all dependency theorists, does not grasp conceptually the historical process of capital accumulation and class formation. His view of Kenya starts and finishes with appearances, as they present themselves at a more or less fixed point in time; and the most palpable and pervasive of these, in the context of his own recent work (a follow-up to Who Controls Industry in Kenya) is the preponderance of foreign capital in manufacturing and large-scale tourism, its manifestly superior financial and organizational resources, its technological and market monopolies, etc. The obverse of this appearance is the relative weakness
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of indigenous capital; hence it is conceived of as ‘dependent’, ‘auxiliary’, ‘petty’, etc., and as such incapable of playing a significant role in expanding the forces of production.

Yet the history of the 16 years since independence in Kenya shows one thing unambiguously: a massive retreat by non-indigenous capital out of one sphere of accumulation after another into — in particular — manufacturing and large scale tourism. How this could have occurred without a decline of real per capita incomes — let alone the roughly 25% increase which Kaplinsky’s own Table VI records — when population growth, as Henley points out, was over 3% per annum, is entirely incomprehensible from the standpoint of ‘dependency’. Perhaps Kaplinsky does not consider the indigenous farmers, wholesale and retail traders, transporters, hotel and tour operators, office block owners and so forth, who have moved into these spheres, as capitalists; perhaps for him it is enough that many of them were ‘small’ (i.e. ‘petty’?) so that the question of how they were able to occupy in these sectors, and how they have sustained capital accumulation within them subsequently, is of no interest. The fact is that this happened, not only supporting the growth of real incomes referred to, but generating some large further accumulations of capital in African hands.

That these events, momentous as they have been in human terms as well as historically, should still not seem significant even after a ‘protracted stay’ in Kenya, is interesting in itself; and it means that Kaplinsky is unable to account for the recent appearance, even in the manufacturing sector (which occupies his almost exclusive attention), of African capitalists. For him, they must apparently either graduate from the ranks of the ‘apprentice’ small workshop owners so beloved of the technocrats of the ‘industrial estate’ school, which he reasonably thinks an unpromising line of advance (as if the whole industrial revolution had to be replayed in miniature in every industrializing country!); or they are a mystery, explicable only in terms of marriages of convenience between foreign capital and a few, historically non-significant, African individuals. How even they came to be capable of playing this role is not explained. That they had capital of their own to invest is not remarked on (perhaps foreign capital gave it to them?). Their political strength is emphasized, as if the power of the state, ‘the concentrated and organized force of society’, as Marx said, had not always played a decisive role in the ‘genesis of the industrial capitalist’. And their links with foreign capital are stressed, including even the fact that one manufacturer produced under licence from a foreign firm, as if such connections were not part and parcel of modern industrial capitalism everywhere. The possibility that these individuals are only the most prominent of a growing number who, having accumulated capital in other sectors, now have the necessary skills, confidence and political strength to push their way into manufacturing, apparently cannot be accepted by Kaplinsky because he cannot really envisage the historical process which has produced them.

Having said this — somewhat forcefully, because the most useful result of this exchange, to my mind, would be to do something to help finally rid ourselves of the ideological handicap of dependency theory — some of the related weaknesses of Kaplinsky’s paper should also be pointed out.

First of all, what the evidence suggests is the fact of African entry into manufacturing industry, not the existence of an indigenous industrial bourgeoisie (hypothesis ii), and not even that the emergence of an indigenous industrial
bourgeoisie is ‘only a matter of time’ (p.90). Kaplinsky reformulates the argument in this way not to make it easier to refute, but — again — because he does not conceive of the phenomenon historically. For him, either there is an African industrial bourgeoisie or there isn’t; either its present scale makes it likely to get bigger, or it doesn’t. The argument actually advanced by myself and others, however, is that what is significant is the process of formation, through political struggle and ideological and cultural struggle, as well as through accumulation and re-investment, of an indigenous capitalist class. This class has recently established a place for itself, however modest, in manufacturing (my actual words were: ‘in manufacturing . . . a new phase of African entry seemed to be beginning in 1977’). What its future in that sector will be is not a matter of time, but of the course of its struggles, at least some of which it has so far won. Kaplinsky’s figures on ownership and control are, from this point of view, irrelevant. He has gone to some trouble to distinguish Kenyan residents from foreign residents among the shareholders, but this means that this figures for ‘Kenyan’ ownership and control (which include non-African residents) in no way indicate the share of African capital in this process. A relevant figure, for a very specific sector, and one particularly favourable to indigenous capital, are the companies in which the Kenyan parastatals have invested. In this sector the proportion of state capital invested in companies in which Africans had a majority shareholding rose from 0.1% to 2.6% between 1966 and 1976, and the proportion invested in companies to which Africans were minority shareholders rose from 0.1% to 18.2%. The current position of Africans in the equity of manufacturing generally is unquestionably small. What is, or should be, of interest, however, is the rate, scope, and conditions of the growth that has occurred in their share, on which Kaplinsky puts forward no evidence at all.

With regard to the role of the state, the ‘hypothesis’ which Kaplinsky attributes to me reveals a further misunderstanding. According to him, it follows from my argument that ‘the state has moved from a mediating position to an instrument for increased indigenous control over foreign capital’ (which later becomes ‘the state has assumed an antagonistic position to foreign capital’). But my point was not that the state has ‘moved’, but that it is necessary for us to move, from the ‘dependency’ conception of the state as a somehow independent mediator, to understanding the state as a register of the balance of class forces, including the strength of the indigenous bourgeoisie. Because this strength is relative, not absolute, the state’s interventions in conflicts between indigenous and foreign capital also registers this relatively; the inspection of individual cases, out of context, naturally reveals this, and the only way to grasp the significance of what is going on is to study the whole process historically, to identify and explain the trends in the relationship between the processes of capital accumulation, class formation and class struggles, and the evolution and activity of the state.

What Kaplinsky, I suspect, thinks is that the state must either be neutral, or it must be the instrument of one or the other of these contending fractions of capital. But what has to be grasped is that the fundamental interests of capital coincide; that the general form of this coincidence in Kenya is the general need of all fractions and strata of the bourgeoisie for further investments of foreign capital; and that what are in conflict are the interests of different elements of the bourgeoisie differentially affected by the specific forms this takes. Among these are the interests of particular African capitalists vis-à-vis those of particular
foreign capitals. The state’s resolutions of these conflicts register a complex interaction of economic, political and ideological forces, which it would be difficult to say has not, over time, advanced and hence also expressed the growing strength of indigenous capital (see below).

As for Kaplinsky’s effort to downplay the growth of the Kenyan economy, it is not at first clear why he should want to do this, as it involves some distinctly strained arguments, some of which have been sufficiently criticized by Henley. Kaplinsky goes to some lengths to prove that there has been little structural change in the Kenyan economy, and in particular that the share of manufacturing in GDP has not risen much. I have never argued otherwise, though given the fact that real GDP roughly doubled between 1964 and 1976, the fact that the share of manufacturing rose at all is possibly equally significant. The question is one of growth within capitalist production relations, not — at this stage — one of the relative share of manufacturing. I agree that the extent of the development of capitalist production is an urgent matter for research, yet it would be hard to argue that the growth that has occurred has been accomplished by a decline in such relations. Another curious argument advanced by Kaplinsky is that Kenya has not ‘seen a successful period of economic growth since independence’ (which later becomes ‘there has not been sustained economic growth in Kenya’) the grounds being that growth in volume terms fell off markedly after 1973. It is difficult to know what to make of this. There are several advanced capitalist countries, including Britain, which would have been happy to have the absolute rate of growth actually achieved by Kenya since 1973, even though it is true that for popular well-being (as if capitalist growth had anything to do with that) Kenya, with a population growing at 3.2% per annum, needs to do even better.

In order to argue that capitalist growth has occurred, Kaplinsky implies that one would have to show that it occurred evenly, uninterruptedly, regardless of the international recession, oil price increases, etc., etc. As Bill Warren pointed out almost a decade ago, what underlies dependency theory is a tacit idealized model of ‘capitalist development’, without inequalities, unevennesses, cycles, etc., such that the performance of no actual third world economy could ever be described as ‘successful’ development (to use Kaplinsky’s own word) in terms of it. It is not hard to see this is what underlies Kaplinsky’s discussion of the extent of Kenya’s recent growth; and it also underlies his view of the character of the development that has occurred, and of its future prospects.

The capitalist growth that has occurred, he thinks, may have increased productivity, but only through a form of primitive accumulation from rural consumers via heavy tariff protection. It is also structurally dependent on the continual polarization of the economy into a protected, capital-intensive modern sector, permitting high rates of return which allow the payment of high wages which in turn permit the further introduction of more manufacturing technology from high income economies: a structural vicious circle leaving a steadily larger proportion of the population in the position of impoverished subsidisers of the high-income minority.

These are serious issues. Capitalist growth has historically always been grounded on primitive accumulation and given rise to acute inequalities. The important questions are (a) whether the growth that has occurred in Kenya represents a real expansion of the productive forces; and (b) whether an alternative pattern is historically possible which would expand them faster, with lesser or greater costs
in terms of the current living standards of the masses.

The former is debatable on various grounds but it seems to me difficult not to conclude that in every sector of the capitalist economy, including manufacturing, production has increased absolutely and per unit of labour, while real output per head has also risen for the economy as a whole. As to the question of alternatives, the difficulties with Kaplinsky's view is precisely that it implicitly contrasts the performance of actually existing peripheral capitalism in Kenya with some putative alternative strategy of development without any specified class character or location in historical possibilities. Frances Stewart has confronted this problem much more frankly than most dependency writers, reviewing three possible alternatives: factor price reforms; 'redistribution with growth' as advocated by the International Labour Organisation mission to Kenya in 1972; and what she calls 'disciplined socialism'. The first she rejects as politically impracticable, given the interests vested in the existing price structures, and in any case impotent to effect structural changes. The second is also judged politically unlikely; in addition, Stewart considers it probably internally inconsistent as a strategy of capitalist growth. The third alternative, socialism, is judged historically even more improbable.

The most likely alternative, however, not discussed by Stewart, seems to be a strategy labelled 'socialist', put forward by the petty-bourgeoisie, involving 'state socialism' in industry and trade along lines already broadly charted in Ghana, Uganda, and Tanzania. It is very difficult to believe that this alternative holds out the possibility of more expansion of production at lower social cost than the historical path so far actually pursued in Kenya.

Because the dependency school sees the periphery as 'locked into under-development', it tends to minimize the development which actually occurs there; when the fact of such development cannot be denied, it is decried as inegalitarian, unbalanced, anti-popular; and, when this is admitted, it is, finally, dismissed as being at most short-lived and illusory. Kaplinsky's argument also follows this pattern, concluding by seeing further capital accumulation in Kenya as 'doomed' because of its inefficiency, which gives rise to a growing and ultimately fatal balance of payments problem, and because of declining agricultural productivity.

These considerations also have force, but nonetheless appear relative. For example, Kenya's balance of payments problem is still comparatively modest, however much more serious it is than prior to 1971. Agricultural production has tended to grow more slowly but the apparent constraints appear more social and political than technical and are certainly not absolute. As for manufactured exports, the opportunities presented by the overthrow of Amin in Uganda and, on a slightly longer term view, in Tanzania, are considerable, and it seems to me premature, to say the least, to consider that Kenya's internal market represents the impermeable limits of manufacturing production. In general, Kaplinsky's attempt to classify all peripheral economies into three types, only one of which — those with 'sizeable internal markets' — may be able to sustain 'successful accumulation', seems implausible (Hong Kong? Taiwan?) and indefensibly schematic.

As I took care care to point out in my article, to say this is not to argue, let alone demonstrate, that Kenya is destined to undergo twenty or fifty years of
sustained capitalist growth. But the class forces which have sustained its growth so far, with the state apparatus developed for this purpose, have surely not yet exhausted their potentialities.*

Bibliographic Note

For the reference to Warren see bibliographic note to Kaplinsky's article.


* One of Kaplinsky's 'cases' actually reveals a misconception of the class forces involved which stems from the same empiricist root as the other misconceptions already discussed. According to him, in the 1975 budgetary crisis, the ICDC stopped all loans under its small loans scheme, but not its large-scale investment. He sees this as evidence of the relative strength of foreign capital, which was involved in the projects receiving large scale funds, and the relative weakness of the indigenous bourgeoisie. But the recipients of small-scale ICDC loans were broadly petty bourgeois — i.e. not completely dependent on, or committed to, 'self-expanding' capital, capital laid out for the purpose of enlarging it; if this programme was halted, what was sacrificed was their interests, not those of the indigenous bourgeoisie proper, who were by this time no longer interested in ICDC small industrial loans (average value in 1976: K£ 3003) or small commercial loans (average value in 1976: K£921).
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