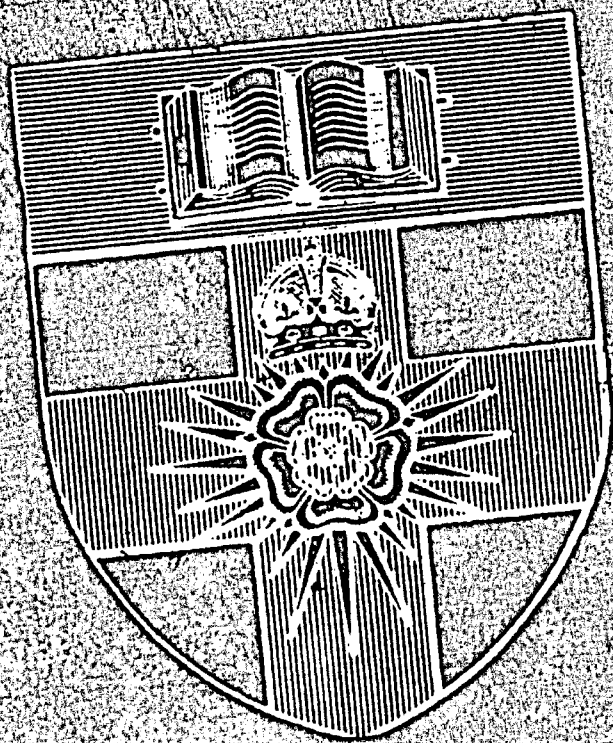


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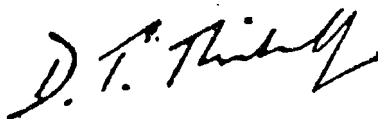
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LABOUR SUPPLIES AND ECONOMIC DEVELOPMENT
IN RHODESIA

D. B. Gupta



ABSTRACTION

In Southern Rhodesia the exchange economy was set up through the inflow of foreign capital into mining and agriculture. The initial shortage of labour was overcome through non-economic measures. The recruitment of foreign labour and the presence of "periodic underemployment" meant unlimited supplies of unskilled labour. The control of government machinery exercised by capitalist agriculture resulted in policies limiting alternative opportunities of earnings to wage employment in the traditional sector. Skilled labour was imported from outside the country and this being the other controlling interest in the "superstructure", it successfully kept most of the African labour migrant, unskilled and backward. This, of course, does not mean that the point that the traditional sector is resistant to change has no value.

The rapid growth of the economy due to exogenous factors, especially after the war, meant an increased demand for skilled labour, which the high rate of European immigration was unable to fulfil. Manufacturing capitalists then turned to African labour to fill the gap. Skilled, stabilised labour of necessity had to be paid higher wages. The sectoral rising trend of wages is due to increasing productivity of and competition for this small African group. To reduce demand for skilled labour the capitalists employed more capital-intensive techniques.

The "European" control of the "superstructure" naturally resulted in effective internal demand becoming dependent on the rate of European immigration - in turn the rate of inflow of investment funds is dependent on the above. The stagnation in European popu-

lation since 1960 has meant a virtual stagnation of the economy since 1960.

This stagnation together with the rapid growth of African population and the institution of the Land Husbandry Act has resulted in the present situation of unemployment-cum-underemployment.

LABOUR SUPPLIES AND ECONOMIC DEVELOPMENT IN RHODESIA

Chapter I

Introduction

The underdeveloped countries are said to have a dualistic economy in which the modern sector uses highly advanced techniques of production and the traditional sector much more primitive techniques. Some form of dualism exists in advanced countries as well in the sense that a relatively backward sector exists within the otherwise advanced economy, e.g. the Southern States of U.S. when compared to the rest, and Southern Italy taken in the context of the rest of Italy, here the dualism is more pronounced than in the U.S. The important point is that the traditional sector in underdeveloped economies is very much bigger as a proportion and the techniques used are much more primitive than those in the less developed sectors of an advanced country. There are different types of dualism like "social dualism", "technological dualism", etc. which one comes across in literature on social sciences, but these distinctions and their definitions I shall ignore.

Professor Lewis¹ suggests the lines on which the development of a dual economy may take place. He assumes the availability of an "unlimited supply of labour" and thus a subsistence wage for labour employed in the capitalist sector. The economic surplus, the difference between total sales or output and total wages is reinvested by the capitalists with consequent expansion of the exchange sector and the absorption of more labour from the subsistence sector, where it is

¹ W. A. Lewis "Economic Development with unlimited supplies of labour" in the "Economics of Underdevelopment" ed. by A. N. Agarwala and S. P. Singh.

underemployed. The growth of the economy proceeds in this manner and when all the redundant and underemployed labour is absorbed by the capitalist sector, the neo-classical world, where wages are determined by the marginal productivity of labour rather than by its subsistence needs, becomes a reality. There are some weaknesses of the model - the most significant one being the implicit assumption of sufficient marketable surplus being transferable to the capitalist sector from the subsistence sector when labour is absorbed by the advanced sector. Once it is realised that this may not happen, then it is clear that the terms of trade will turn against the manufacturing sector vis-a-vis the subsistence agricultural sector and thus push up money wages. Ranis and Fei present a modified version of Lewis's model and show that balanced growth between the sectors is essential, especially when the economy is faced with a "shortage point"¹. They assume that the price-mechanism or government policy will ensure that when the terms of trade turn either in favour of the agricultural sector or the manufacturing sector induced investment and thus growth in that sector takes place. They ignore, of course, the structural problems faced particularly by the agricultural sector of most underdeveloped economies. Moreover, their treatment is confined to a closed economy. But they bring into the model an additional important variable, population growth (which Lewis only mentions in passing) though they consider it as an exogenous variable. Enke²

¹ G. Ranis and J. C. H. Fei "A Theory of Economic Development", A.E.R., September, 1961. The "shortage point" is the beginning of the phase, where the terms of trade move against the manufacturing sector.

² S. Enke "Economic Development with limited and unlimited supplies of labour", O.E.P., June, 1962.

has suggested that to overcome the structural problems presented by subsistence agriculture it is essential to develop a capitalist agricultural sector. This of course means the presence of a specific "superstructure"¹ which will cater for the interests of capitalist agriculture.

Our approach will be as follows: It will be to show that there is a transitional period during which the traditional environment will tend to act as a restraining influence on the supply of labour to the exchange economy and that this influence of the traditional environment is reduced over time.

At the same time "general underemployment"² which exists where there is population pressure on the land and where the addition of more labour to land means diminishing returns has not been in existence throughout the history of Rhodesia, because land was in unlimited supply when the exchange economy was introduced in Rhodesia. This means that a model based on the assumption of "general underemployment" may have little practical value for Rhodesia at an earlier historical period.

The other types of underemployment are of "seasonal" and "periodic" nature. "Seasonal" underemployment is based on the assumption that agriculture is a seasonal industry and, therefore, labour which may be fully employed during the rainy season may be unemployed in the dry season. This means that labour may only be unlimited in supply to the exchange sector during one season.

¹ "We call the superstructure of a given mode of production that part of social relations (outside of production relations) and of social consciousness which is indispensable for the existence of that particular mode of production." O. Lange "Political Economy", p. 26.

² The concepts of "general", "seasonal" and "periodic" unemployment

"Periodic" underemployment is specific to Rhodesia and certain parts of Africa, where the division of labour is such as to permit the adult male to absent himself for a period of a year or so, without fall in traditional agricultural output. This means that fifty per cent of the adult male population sets the limit to unlimited supplies of labour. At the same time if labour needs to be stabilised, then there is an immediate "turning point" in the supply of labour. A model of labour supplies should take these factors into account and should explain the shift from the existence only of "periodic" (together with "seasonal") underemployment to that of "general" underemployment.

Further, the share of economic surplus will depend not only on the supply of unskilled labour, but also on that of skilled labour; therefore, it is essential to examine the determinants of the supply of skilled labour. Economic surplus will also be influenced by the choice of techniques.

Moreover, the assumption that the surplus is reinvested is dependent not only on the assumption of a closed economy, but also on the assumption that the Government performs the function of capitalists. If this is not the case and, as is more likely the case in an open economy, the international capitalists perform this function of investors, then

(underemployment) are from W. J. Barber's article "Disguised Unemployment in Underdeveloped Economies", O.E.P., February, 1961.

the level of effective internal demand¹ determines the level of investment - this is because of the monopolistic-oligopolistic nature of present-day international capital. Investment in plantation agriculture and mining is not dependent on effective internal demand but on external demand considerations and these sectors may be the organs through which the exchange economy is set up. The model will show the consequences of this pattern of investment on the "superstructure" and on labour supplies.

In Chapter III, where the model is tested in the specific context of Rhodesia², it is assumed that, where not mentioned, this specific pattern of investment has resulted in the formation of the "superstructure" as indicated in Chapter II.

¹ "The composition of demand is conditioned, however, by the distribution of income. It may therefore be concluded that the production structure, the allotment of production assigned to accumulation, and the distribution of income all have the same fundamental causes. They are based on the institutional system, which in turn hinges on the appropriation of the surplus." C. Furtado, "Development and Underdevelopment", p. 83.

² Throughout by Rhodesia, I mean Southern Rhodesia only.

Chapter II

The Model

The economic system of an under-developed economy has two distinct components: (1) subsistence economy and (2) capitalist economy.¹ Traditional agriculture (indigenous economy) has its own properties of organisation which differ markedly from the organisation in the capitalist sector. In an indigenous economy, the family is the unit of production. There is division of labour, with the male carrying out the "heavier" physical tasks. Because of the absence of knowledge and supply of artificial fertilisers, shifting cultivation is practised. The male plays the leading part at the time of shifting from one tract of land to another. Under the traditional system of cultivation large tracts of land may lie fallow, giving the appearance of superabundant land, when in fact land is being left fallow to recuperate its lost fertility due to cultivation. The female remains in charge of the processes of cultivation. The indigenous system does not employ wage-labour. Exchange may exist on the basis of barter.²

¹ This is the usual assumption in models of labour supplies, see e.g. W. A. Lewis, op. cit.; and W. J. Barber in "Disguised Unemployment in Underdeveloped Economies", Oxford Economic Papers, Feb., 1961, Barber replaces the term "subsistence" with "indigenous", because this denotes the properties of production of the traditional sector. In the rest of this thesis we call the above 'article W. J. Barber', to distinguish it from the citations from his other works.

² For a more detailed discussion of the traditional economy, see the first section of Chapter III of this thesis. It follows from the introduction that we assume an unlimited supply of land in the early historical

In the capitalist economy production and exchange are well organised and economic activity is largely oriented toward export markets. At first mining and agriculture may be the only significant industries and most of the production may be exported in exchange for manufactured goods.¹

Capitalists will need labour from the traditional sector as an input. They will pay wages to induce labour to work for them. The response of the indigenous sector to wage employment will depend, among other things, upon the historical period being considered. The transition from traditional man to economic man² can be examined, following Berg³, under the assumption that the labourer works in terms of a target income, which shifts upwards over time. To study this transition and the response of traditional labour to wage changes, we examine the three supply functions presented by Berg.⁴

period.

¹ The capitalist economy is set up by foreign imports of capital and skills. The consequences of the pattern of investment will be discussed later.

² This brings in the concept of economic rationality, under which the maximisation of income and consumption is the objective criteria governing economic activity. The implication is that traditional man does not behave in a rational manner. On this see O. Lange, op. cit., Ch. V. My interpretation of rationality is broader than Lange's, who considers all traditional activities as irrational.

³ E. J. Berg, "Backward-sloping Labour Supply Functions in Dual Economies - The Africa Case", Q.J.E., 1961.

⁴ Cit. above.

1. The Individual's Labour Supply Function
2. The Aggregate Supply of Labour to the Exchange Economy
3. The Supply of Labour in an International Context.

1. The Individual's Labour Supply Function:

The key influences determining his supply function are:

- (a) His demand for money income in terms of leisure, i.e. the level of target income.
- (b) His income from village sources.
- (c) The rate of wages in the exchange sector.

Thus given the level of target income, the amount of time a labourer will spend in the exchange sector is inversely dependent on the level of wages. Similarly, given his income goal and the rate of wages outside, his "time spent in employment" function varies inversely and proportionately with respect to changes in village income; if harvests are good (bad) and his village income rises (falls) he spends correspondingly less (more) time in paid employment.¹ If village income is sufficient

¹ Berg, op. cit., does not point out the difficulties faced, in selling surpluses and thus of acquiring cash income, by the traditional sector. Thus, though good harvests will increase consumption income, cash income may not increase. If target income has two components, (a) the subsistence income (a fall in harvests below this range will substantially increase the supply of labour) and (b) the cash-income (which becomes more and more desired with time), then good harvests may strongly influence the fall in the supply of labour in the initial historical period, but will have a milder influence in the later historical periods, assuming that the level of infrastructure has not changed significantly. This means a hut tax payable in cash, will increase the cash component of target income and thus the supply of labour.

to allow him to attain his income goal, he will not go out to work regardless (within realistic limits) of the rates of wages. What is important here, is the alternative income-earning opportunities. If there are alternative opportunities available in the indigenous sector for earning his specific target-income, then the indigenous worker will not seek employment in the exchange sector.

Target-income concept should be considered in the context of different historical time periods. In the initial stages of contact between the exchange economy and the traditional economy target incomes will be more rigidly defined.¹ This is because the traditional pattern of consumption is geared to a low level of consumption and a sudden upward shift in the consumption pattern is unlikely. A low target income means a high preference for non-economic activities.

Further, in the early historical period, the lack of communications made journeys between the subsistence and the exchange sector highly time-consuming and hazardous. Moreover at low level of incomes, the income elasticity of demand for foodstuffs was high which meant that the tendency was to increase food production by borrowing labour-saving techniques like ploughs and expanding the acreage under cultivation. The surplus, after consumption, where possible could be sold in the exchange sector. Thus, the supply of labour will be limited not only by the low target-income, but also by the greater effort price required in the exchange sector², as compared to the subsistence sector.

¹ The securing of a labour force at that stage will depend largely on direct or indirect coercion.

² The fact that a highly time-consuming journey has to be undertaken forms a part of the effort price in this instance.

The psychological factor of the unfamiliarity of the exchange sector environment will also tend to limit the supply of labour, at that stage.

In contemporary Africa most African migrant workers¹ have modified target-incomes. Supply is slightly elastic for them above the target-income. Further, over time, the target-income level itself has shifted upwards, because ex ante consumption has increased through the "demonstration effect"² and the possibility of satisfaction of this

¹ For causes of labour migration see article by J. Clyde Mitchell "The Causes of Labour Migration" in Bulletin of the Inter-African Labour Institute Vol. XI, No. 1 : 8-47 (1959). Mitchell explains outmigration (from tribal areas to exchange economy) in terms of economic factors, i.e. cash income requirements make labour seek employment in the exchange sector, and in-migration (to tribal areas from exchange economy) in terms of social factors, i.e. social relations and obligations draw the migrant labourer back to the kraals. An economic reason for in-migration will be added later. We shall call Mitchell's article as 'Mitchell 1' to distinguish it from his book.

² J. Duesenberry has used this terminology on p. 27 of his book "Income, Saving and the theory of Consumer Behaviour". When people come in contact with superior goods or superior patterns of consumption, with new articles or new ways of meeting old wants, they are apt to feel after a while a certain restlessness and dissatisfaction. Their knowledge is extended, their imagination stimulated, new desires are aroused, the propensity to consume is shifted upwards.

demand through increases in income, have only become possible through wage-employment; patterns and customs of migration have become established and the risks and costs of outward journeys have diminished. At the same time, there have been forces like population growth¹ and soil erosion tending to reduce the possibility of increasing village cash income. Individual labour supply curve has then become less and less backward sloping over time. Moreover, for those migrants who turn into proletarians², the concept of target-income has little significance and labour supply is a positive function of the wage rate. But the

¹ Population growth will be discussed under a separate heading.

² Proletarians are workers fully committed to the exchange economy.

If the migrant is to choose permanent commitment one necessary economic condition must be met: total family income must be greater for the permanently committed worker than for the migrant worker. Moreover, this differential between the family income of the permanent wage earner and the migrant must be substantial in order to compensate for the psychological costs of changing styles of life and for the harassments (common until recently in much of Africa) of town life, racial discrimination, restrictions on the freedom of movement, etc.,

footnote 2.

Berg, op. cit., p. 479./ This is discussed more fully by me under Section 6 "Barber's hypothesis and the supply of skilled labour".

most rational choice appears to be as per Barber¹, for the adult male to migrate himself between the traditional economy and the exchange economy, as the wages are unlikely to be sufficient to maintain the whole family in the exchange sector.

2. The Aggregate Supply of Labour

A great many factors influence the aggregate supply of labour. The most significant of these are the level of village income, wage rates, the size of the African population in the area concerned, the extent and the intensity of the need for money income (which in turn depends on the degree of penetration of new wants, tax levels, the size of the bride price, etc.) and the degree of compulsory recruiting².

(A) The level of village income depends on the size of the harvest and the price level of the crops grown. A bad harvest will mean more men must go out to fill the subsistence gap; a good harvest means few will have to go out. A decline in the price of cash crops tends to

¹ Article W. J. Barber, op. cit., his hypothesis will be discussed in later sections.

² The scarcity or abundance of jobs and the "agreeableness" of these jobs, the nearness of employment centres to population concentrations, and transport costs and difficulties, the intensity of contact between the villages and the exchange sector; the habits and customs of the particular ethnic groups in the area, the degree of knowledge about conditions existing outside the village are also factors mentioned by Berg, op. cit., p. 480.

increase the rate of outmigration in two ways:

- (1) It results in lower village incomes (other things equal) and brings the incomes of some villagers below their minimum income goal.
- (2) It raises the effort-price of income earned in the village in relation to the effort-price of income from paid employment.¹

A drop in the price of village cash crop can either have "labour-diverting" or "labour-creating" effect. In the "labour-diverting" case, there is a redistribution of total labour devoted to market-oriented activity, i.e. the non-village labour supply increases, while labour devoted to income-earning activities in the village declines. In the "labour-creating" case, labour does not reduce its effort in village employment and at the same time increases its effort in non-village activity, i.e. in the exchange sector. Whichever of these prevails, a drop in the price of village cash crop, will mean an increase in the supply of labour to the exchange sector. But "labour-creation" indicates a higher target-income than "labour-diversion".

Thus, as village employment offers an alternative means of earnings to wage employment any deliberate policies to reduce the income accruing in the traditional sector will increase the supply of labour to

¹ As already pointed out this point may be of little significance in the early historical period as departure from a familiar environment to an unfamiliar one is repugnant and the transport problems make the effort-price in the exchange economy considerably higher than in the traditional economy.

the exchange sector.

(B) The aggregate labour supply consists of the number of men at work for wages multiplied by the average amount of time each spends in wage employment.

An increase in wage rates will tend to have two effects:

(a) a positive effect, whereby more men will be drawn into the exchange economy out of the subsistence economy and

(b) a negative effect, which will make those in employment work shorter periods of time.

The total effect of an increase in wage rates will depend upon the intensity of the two tendencies. How much effect each of the two will have is a matter of speculation, but in the historical perspective over time the first effect (the positive one) tends to gain importance and the second to lose importance.¹ Thus the more recent the time period under review, the more likely it is that the labour will respond positively to increases in wage rates.

Wage cuts could increase the labour supply, where needs were incompressible and there were restricted income-earning alternatives. But, where most of the needs could be compressed or could be postponed, wage cuts would lead to a reduction in the labour supply. Further, if wage cuts were not general, labour would move to areas where wages were higher, thus augmenting the supply to one area and reducing it to another. The implication of this is that wage differentials in the exchange economy will influence the distribution of labour. The higher the wages paid by a sector, the more the labour will be redistributed towards it, other things equal.

¹ This is because of the reasons given under the section "The Individual's Labour Supply Curve".

3. The Supply of Labour in an International Context

This factor has a special significance in an African international context. Labour markets for unskilled labour in Africa in most instances cut across political boundaries - individual countries form parts of what may be regarded as "regional" labour markets for unskilled labour. The effect of a change in wages or working conditions or job opportunities in any country is felt in varying degrees by countries around it. Even where there are no direct relationships between two countries in a given regional labour market area, the two can be held together by a third country.

A wage increase in a country will thus increase the supply of labour in two ways:

- (1) increase the number of villagers seeking employment;
- (2) effect a geographical redistribution in favour of that country.

This means that even in the early historical period an increase in wage rate will most likely increase the total supply of labour to the exchange sector.

4. Simple Barber Hypothesis

So far we have been considering the effects of wage increases on the supply of labour. But wage rates will in turn be affected by supply and demand conditions. For this, we turn then to Barber's model.¹ The assumption of "periodic" under-employment is essential for the model. Under the traditional system of cultivation women and children perform the basic tasks of sowing, reaping and tending. The adult males are concerned with preparing the new land for cultivation.

¹ Article W. J. Barber, op. cit.

Under this system of shifting cultivation bush is cleared, burnt and ash allowed to fertilise the soil. The land can then be cultivated for a period of two to three years before unsatisfactory yields force them to move to another tract of land. Because of this division of labour between males and females, "it has been estimated that on the average, adult males might absent themselves for as much as one year in every two without cost in conventional output to the indigenous agricultural community"¹, which means that 50% of the able-bodied males can be withdrawn at a time without fall in output and represent "periodically under-employed".

As the assumption of economic rationality is also essential for this model, the model will only be applicable in the later historical period. Under this assumption, the indigenous male will accept wage employment when it serves to maximise the real income of his family group.

In an economic system where capitalist and indigenous economies exist side by side there are two sources of income available to the indigenous family:

- (a) Indigenous production and
- (b) Capitalist wage.

When seeking employment the male worker must weigh the possible gain from one activity against the possible loss from another - "periodic under-employment" will mean that the male workers, say 50 per cent of the adult male workers, given demand, will accept temporary employment

¹ Article W. J. Barber, op. cit., p. 109.

in the wage sector for low wages.¹ If adult male workers are sought beyond this proportion by the exchange economy then wages will have to be raised. Thus when "periodic under-employment" exists, labour will be unlimited in supply up to this 50 per cent limit, when labour will become inelastic at existing wages, with the result that upward pressure will be exerted on the capitalist wage,² When this stage is reached quasi-full employment prevails. This is because there is no parallel between this situation, where a large indigenous sector still exists and the "neo-classical" world of the "full employment zone", where marginal physical productivity determines wages.

¹ To maximise his income the adult male provides his labour to both the indigenous economy and the exchange economy. This means that under the migrant labour system employers do not have to pay wages high enough to maintain employees' families - this in turn is a cause of labour migration, and is in addition to those mentioned by Mitchell 1, op. cit.

² It is quite conceivable that perfect elasticity in labour supply may prevail at a much higher level of wages, i.e. at a wage which will enable the employee to maintain and house his family. This wage should be sufficient to enable the migrant worker to become a permanent worker. Incidentally "the demand for labour depends on the level of output and the average labour productivity". H. Chenery and M. Bruno "Development Alternatives in an open economy: The case of Israel", E. J., March, 1962, p. 87.

Another way in which the indigenous economy could increase its income is by increasing its marketable surplus.¹ This would mean increased participation by the adult males in the indigenous economy. If this happens then the turning point in the supply curve (quasi-full employment) will be reached sooner, because some of the periodically under-employed labour will be fully employed in the indigenous economy. But this will depend upon who controls the "superstructure" i.e. the administrative machinery. If the agricultural capitalists are in control, then they will prevent an increase in the marketable surplus accruing to the indigenous economy, thus putting off the turning point in the supply curve. This point will be discussed in a later section.

5. Population Growth² - Induced or Autonomous?

The above discussion does not take into account the fact that

¹ D. R. Khatkhate in "Some Notes on the Real Effects of foreign surplus disposal in Underdeveloped Economies" J.P.E., 1962, draws a distinction between "marketed surplus" and "marketable surplus". In the case of "marketed surplus", the peasants because of their minimum cash requirements are forced to sell a portion of their crop, even when they are starving. "Marketable surplus" implies a much greater willingness on their part to sell the crop. Thus a distinction can only be made on ethical grounds, empirically it would be difficult to draw a line.

² The discussion is based on an article by H. Leibenstein, "Population Growth and the Take-off Hypothesis", in "The Economics of Take-off into sustained growth" ed. by W. W. Rostow. Material has also been drawn from his book "Economic Backwardness and Economic Growth" Ch. 10, though his detailed discussion regarding the motivational determinants of the rate of fertility and thus population growth has been left out of this discussion.

population and thus the supply of labour will be increasing all the time; and if the rate of absorption of the labour force from the traditional sector into the capitalist sector is less than the rate of growth of the labour force via population growth, then the turning point in the supply of labour will be put off indefinitely, assuming for the present that the terms of trade do not move against the capitalist sector. Therefore, we need to study the factors which determine the rate of population growth before we can come to any definite conclusions about the supply of labour.

There are two views about the determinants of population growth. One view is that population growth is totally autonomous of the level of consumption and income and the other is that it is solely induced by the level of consumption and income.¹ If it is totally autonomous, then why does it not take place in a solely traditional economy, and if it is only induced then why does it not stop growing when the economy is stagnating at a low level of income? From this we come to the conclusion that population growth is partly induced and partly autonomous.²

¹ H. Leibenstein, op. cit., ed. by Rostow, p. 171.

² Therefore, I consider it a weakness of Ranis and Fei, op. cit., model to assume population growth as exogenously determined.

In a closed economy, population will increase either because of an increase in the fertility rate or because of a decline in the mortality rate. If we assume that the initial level of fertility rate and mortality rate are high and that the fertility rate is not affected in any significant way, either by increases in the level of per capita income or through autonomous improvements in medicine and health facilities, then an increase in population can only come about through a decline in the mortality rate.¹ Improvements in medicine and health facilities on a significant scale in African countries are a recent phenomenon i.e. after the Second World War. Therefore, we can say that the initial impact of the introduction of the exchange economy on the rate of population growth was positive via the decline in the mortality rate resulting from increased level of income per capita. Alternative employment opportunities to the traditional sector now provided the means of subsistence at the time of harvest failures; Africans could supplement their traditional earnings by selling their labour to the capitalists and thus surviving the famine. The faster is the growth of the economy, the greater is the scope for survival in this respect, other things equal, and therefore the greater is the induced rate of population growth. But as time went on the autonomous improvements in medicine and health facilities became more significant and the level of consumption and

¹ We assume live births resulting from improved nutrition as equivalent to a decline in mortality rate, rather than an increase in the fertility rate.

income a less significant factor in pulling down the mortality rate.¹

Under the migrant labour system prevalent in most African countries, population growth means that, with time, increasing numbers of people become dependent ultimately for subsistence on the traditional economy. Thus any increases in output in the traditional sector are absorbed in the form of increased consumption by the increasing population. This means that the alternative opportunities of earnings to wage employment become limited under the shifting system of cultivation, as not all land can be cultivated - large tracts of land have to be left fallow and intensive cultivation in the absence of modern fertilisers and hybrid seeds will only mean a fall in yield per acre. This will mean that population growth will increase the supply of labour, and if

¹ Though on page 159 of his book Leibenstein, op. cit. seems to argue that "Medical and chemical discoveries require economic resources to put them into effect" and therefore the level of consumption is largely the determinant of mortality rate, it is clear from recent experience that as often as not the hospitals are either financed and run by missionary-organisations or from donor-countries' funds and do not necessarily take up internal resources of the country concerned. But it is easier to resolve the issue by arbitrarily classifying medical improvements as autonomous to the level of consumption. In his article Leibenstein, op. cit. more readily admits the distinction between the two.

the rate of absorption of the labour force into the exchange economy is slower than the rate of growth of population, then "periodic underemployment" will become a special case of "general underemployment".¹

In the initial stages because of the greater significance of the induced factor in population growth there is a race between the absorption of the labour force into the capitalist sector and population growth. Unless the labour force is stabilised it is almost certain that the race will be lost against population growth and the model instead of working on the assumption of "periodic underemployment" will eventually be working on the assumption of "general underemployment".² The reason why this happens is because, as already pointed out, migrant labour is dependent ultimately on the land for its subsistence and, therefore, does not vacate the land, if it is only working temporarily in the capitalist sector. Moreover, it cannot concentrate fully towards the development of an agricultural surplus, if it is moving to and fro between

¹ There is, of course, an upper limit to the rate of population growth set by physical factors, though not necessarily at 3% as Leibenstein, p. 172 op. cit. in his book assumes.

² For a period of time, because of the varying densities of population and output differences per unit of land between different areas within the traditional economy, both 'periodic' and 'general' underemployment could exist as distinct units.

the capitalist and the traditional sectors. Thus full utilisation of the productive powers of the land cannot be made under the migrant system of labour and population pressure builds up on the land, as there is no permanent outlet for the growing population.

6. Modified Barber-hypothesis and the Supply of Skilled Labour

Even though on first assumptions the migrant labour system seems to maximise the total incomes of the worker and the capitalist¹, in reality this is not so for those sectors which require skilled labour², and, therefore, a stable labour force. Under the migrant labour system even though the supply of unskilled labour is increased, the supply of skilled labour, which is one of the limiting factors in economic development is not increased³. Therefore, even though the supply price of unskilled labour remains low, the supply price of skilled labour is pushed up.

¹ The migrant labourer can supplement his traditional earnings by seeking wage employment for temporary periods. The capitalist does not have to pay a wage sufficient for the subsistence and maintenance of the migrant's family, which is left behind in the traditional sector. This is Article W. J. Barber's, op. cit., approach.

² The terminology is used throughout in a wider sense to include semi-skilled labour as well.

³ For a diagrammatic illustration of economic constraints to development see R. I. McKinnon's article "Foreign exchange constraints in Economic Development", E. J., June, 1964.

It is also implicit in Barber's¹ assumption of "period under-employment" that skilled labour will have to be paid higher wages than unskilled labour, not only because skilled labour is more productive, but also because skilled labour is not migrant labour, it is permanent or stable labour. To have a stable labour force a higher wage has to be paid - a wage at least sufficient for the subsistence of a family. If the capitalists want to economise in their use of skilled labour, they will turn to more capital-intensive methods of production. This means that if the Government does not provide housing facilities and the other amenities for the stabilisation of the labour force like the provision of sufficient training facilities, then the shortage of skilled labour will induce the capitalists to turn to more capital-intensive techniques of production.

7. The Political Factors and the Supply of Labour

The decision by the Government whether to provide housing and training facilities to the labour force or not is ultimately a political one. If the administration and Government, which we may call the "superstructure"² is controlled by a limited group of skilled workers, it is in their interest to perpetuate the backwardness³ of the other

¹ Article W. J. Barber, op. cit.

² For a discussion of the "superstructure" and Political Economy in general, see O. Lange's "Political Economy", op. cit.

³ H. Myint in "An Interpretation of Economic Backwardness" article in "The Economics of Under-development" edited by A. N. Agarwala and S. P. Singh, points out that one of the reasons for backwardness of African people is the lack of any "countervailing power" on their part.

groups of workers through the perpetuation of the migrant labour system, so that they may benefit from the continued scarcity of skilled labour. This would mean that only very limited training facilities will be provided to the backward people. If the "superstructure" is controlled by the agricultural capitalists then also a similar result follows. The interest of the agricultural capitalists is in maintaining an unlimited supply of unskilled labour, because skilled labour does not play a significant role in the cultivation of the land. But, the interests of the manufacturing capitalists¹ lie in increasing the supply of skilled labour and thus reducing pressure on skilled wages; therefore, if they controlled the "superstructure", then it follows that the supply of skilled labour and for this purpose the training facilities to the backward people will be increased.

8. The Determinants of Capitalist's Economic Surplus

It follows from the above that the determinants of the economic surplus, the difference between total wages and total sales, are not the same for both the agricultural capitalists and the manufacturing capitalists, because whereas the former relies almost entirely on unskilled labour, the latter is very much dependent on skilled labour. Thus other things equal, the economic surplus in the manufacturing sector will be smaller

¹ It is assumed that the large mining and commercial organisations will have similar interests to those of manufacturing capitalists and that small mining and commercial organisations will have similar interests to those of agricultural capitalists in this respect.

as the wages will be higher as compared with the agricultural sector.¹ The turning point in the supply curve of labour to each sector among other things will depend upon political factors. For instance, if the peasants controlled the "superstructure", then the turning point in the labour supply curve (because of the consequent development of peasant agriculture) to capitalist agriculture will be reached much sooner and its economic surplus will be smaller than if the agricultural capitalists controlled it.² For the manufacturing capitalists, the turning point in the supply curve will be reached sooner, if the alien skilled labour group controlled the "superstructure", and their surplus will be smaller than if they controlled it.

9. The Supply of Investment funds and the level of Effective demand

What may be of equal importance as the economic surplus is the supply of investment funds. In a closed economy there may not be much difference between the economic surplus and the supply of investment

¹ It is, of course, quite likely that higher wages at very low level of living could lead to increased productivity, firstly, because of the increased caloric intake possible because of this - see H. Leibenstein "Economic Backwardness and Economic Growth" Ch. 6, and secondly because of the probability of greater continuity in employment of the labour force. This naturally could mean an increase in economic surplus, paradoxically resulting from increased wages.

² In fact capitalist agriculture only thrives where the peasants do not control the "superstructure".

funds.¹ But in most African countries, the exchange economy has been set up through the inflow of funds from abroad. Because of the low level of demand for manufactured commodities, this capital has gone in most cases into mining and plantations to satisfy external demand. The shortages of raw materials resulting from wars and other exogenous factors normally give impetus to the inflow of investment funds to under-developed economies. If there are any national capitalists they may also expand production to meet this external demand. To the extent that there is a generation of internal demand, e.g. through increased employment and increased profits resulting from sales abroad, and there are restrictions on the inflow of goods, funds may flow in from abroad to satisfy through increased production this internal demand. At the same time if there is insufficient demand, funds will flow out of the

¹ This is not exactly the same as the availability of savings. As the supply of investment funds is from foreign sources (in most African cases), the presence of investment funds means the availability of foreign exchange and enterprise, which are also scarce in under-developed countries. Thus even when savings are available they may not be utilised for productive investment; the availability of investment funds means that they will be utilised.

economy.¹ If we disregard psychological factors like, for instance, the whims of capitalists, then we come to the conclusion that because of the low level of demand, the chances of the rate of growth of the economy overtaking the rate of growth of population consistently are very slim and are dependent on exogenous factors.

10. The Terms of Trade

As pointed out in section 5, population growth means that increased agricultural output will be consumed by the traditional sector. This means that if the manufacturing sector is the only exchange sector, then very early in the course of development, the terms of trade will move against this sector. Moreover, as investment is dependent on demand considerations, it is unlikely that there will be sufficient demand for manufacturing industry to be set up in the economy, in the initial stages. This confirms our point of the last section that the capitalists' initial investment will be either in the mining sector or

¹ The reason why Economic Surplus is not as important an instrument of growth in the free enterprise economy as in a Socialist one is pointed out by Celso Furtado: "For investment to proceed there must be growth in consumption, and this requirement sets a ceiling on the proportion of the national product that a free enterprise economy can spontaneously invest. Once this ceiling is surpassed the rate of growth of consumption fails to provide incentives for new investment.", op. cit., p. 74. The emphasis on effective demand, especially consumer demand, is apparent and need not be stressed.

in plantation agriculture. If there are no minerals or if mining is not a very attractive proposition then plantation agriculture will get the capital. Plantation agriculture can either provide its own food requirements, or if it pays to import food and export cash crops, then the pattern of cultivation can be adjusted accordingly. This means that in an open economy, the internal terms of trade are unlikely to move against capitalist agriculture, vis-a-vis the traditional sector.

11. The control of the "superstructure" and the Pattern of Development

The indication is that capitalist agriculture is likely to be the first exchange sector to be set up and will most likely come to control the "superstructure" of the economy. The interests of capitalist agriculture lie in limiting the output of the traditional agriculture, not only because this sector may compete with it, but also because it is dependent for labour on the traditional sector. This can be done either by restricting the area of cultivation available to the traditional sector or by not making it worth while for the traditional sector to increase its output.

When the manufacturing sector comes to be developed, the terms of trade are unlikely to move against it for long as the capitalist agriculture sector will expand production if and when the terms of trade move in favour of it. Thus it is not so much the terms of trade as the supply of skilled labour which will affect the wage rate and thus the economic surplus accruing to the manufacturing sector.

It is clear from sections 7 and 8 that the interests of the agricultural capitalists and the manufacturing capitalists are not the same. Initially, the administration under the control of agricultural

capitalists will not train the indigenous workers and, therefore, skilled workers may have to be imported. If this alien skilled labour force comes to control the "superstructure" then it will perpetuate the migrant labour system, for reasons already given in an earlier section.¹

The alternative possibility is the control of the "superstructure" by the peasants. To develop their land effectively the peasants need to discourage the migrant labour system. Therefore, the peasant controlled administration will attempt to stabilise the labour force on the land and also in the urban areas. The development of capitalist agriculture will be discouraged, but the development of peasant agriculture will be encouraged, and the eventual development of manufacturing industry (assuming sufficient effective internal demand) may be encouraged because of the policies geared to stabilising and training the labour force.² But the structural problems of supply

¹ South Africa, Southern Rhodesia and until recently Kenya and Northern Rhodesia (now Zambia) are examples of countries which followed this pattern of control of the "superstructure" and resulted in policies intended to perpetuate the migrant labour system. Zambia's case is different in the sense that mining concerns were in a position to pursue independent policies of labour stabilisation.

² Though there are several underdeveloped countries to-day which have got peasant-controlled "superstructure", it is difficult to give examples, because until recently the control was in the hands of colonial administrations.

faced by peasant agriculture may result in the terms of trade moving against the manufacturing sector.¹

I am only concerned here with the first pattern of development and have brought in the alternative pattern of development incidentally as a comparison and to point out the significance of the "superstructure" in determining either pattern.

12. The Question of Fertility decline²

The rate of growth of population does not depend at first sight on who controls the "superstructure"; the rate of mortality rate and rate of growth of population depends, as pointed out in an earlier section on the level of per capita income and the development of health facilities. But where the "superstructure" affects the population growth rate is in influencing policies affecting the fertility rate.

Fertility decline is connected with the changing production functions that are the consequences of economic development. Economic development creates a changing production structure which in turn increases the opportunities for and incentive to geographic, occupational

¹ It is only when an underdeveloped economy is faced with a balance-of-payment disequilibria, as for example in the case of India (see D. R. Khatkhate, op. cit., especially footnote on p. 191) that the internal terms of trade will move against the manufacturing sector, and the turning point in the supply of labour, which Ranis and Fei, op. cit. p. 540 call the "shortage point", will be the result.

² Material in this section has been drawn from H. Leibenstein, op. cit., ed. by Kostow.

and social mobility. Geographic mobility weakens and eventually destroys dependence on the extended family system that commonly predominates in the traditional economy. The nuclear family that gradually develops in the more urbanised sectors faces long-term security problems for which early marriage is a disadvantage. In the same vein, the new occupational opportunities and career patterns that become discernible create a positive inducement for the sort of mobility that is most easily attained if a person is single or if family size is small. Another side of the picture is that economic development is associated usually with increases in educational level, both as a demand and supply phenomenon, which in turn enables members of the population to behave in ways that are more and more responsive to economic conditions.

Thus, other things equal, the faster the rate of growth of the economy, the greater the rate at which the under-employed labour will be absorbed and the shorter will be the gap between the onset of sustained mortality decline, and the beginning of sustained fertility decline - this is because of the rapid rate of urbanisation and the increased educational facilities which go with the rapid rate of growth of the economy.

But the provision of educational facilities and the rate of urbanisation will not only depend upon the rate of growth of the economy, but also on the policies adopted by the government. If, for instance, the agricultural capitalists and the alien skilled labour group control the "superstructure" then it is likely that educational facilities and policies geared to the urbanisation of the indigenous labour will not be adopted. Skilled labour may either be imported or the capitalists in the manufacturing sector may turn to more capital-intensive techniques

to economise their use of skilled labour.

Further in the case of a rapid rate of growth of the economy, the induced rate of population growth will also be higher - reaching the upper limit set by the minimum mortality rate possible under given hygienic and medical conditions - with the consequence that if labour is not stabilised in the urban areas, the population pressure will build up in the traditional sector i.e. land being a fixed factor of production, the sector is faced with diminishing returns. Eventually, the condition of underemployment as envisaged by Lewis¹, which Barber² calls "general underemployment" will come to exist. The specific type of "superstructure" mentioned above is more likely to lead to this result than a "superstructure" interested in stabilising the labour force.

¹ W. A. Lewis, op. cit.

² W. J. Barber, op. cit. Our conclusion is different from that of the "critical minimum effort" hypothesis of H. Leibenstein "Economic Backwardness and Economic Growth" Ch. 10 in that instead of the population problem being resolved by a critical minimum effort, it is aggravated. This is because of the implicit assumption of urbanisation present in his model and absent in ours.

13. The model under the assumption of "General Underemployment"

If we continue to assume that alien skilled labour, together with the agricultural capitalists control the "superstructure", then we realise that the fear of competition will not induce the alien skilled labour to provide training facilities for the indigenous population; at the same time the agricultural capitalists will not encourage the development of the traditional agriculture, because of the same reason. The result is an unlimited supply of cheap, unskilled labour, the level of wages for which are determined by the average productivity in the traditional sector.¹ There is no reason to assume here that a greater and greater proportion of indigenous workers will be absorbed into the exchange sector as stabilised wage labour, given the specific "superstructure".

Thus unlimited supplies of cheap, unskilled labour stay as unlimited supplies of cheap, unskilled labour. There is no turning point in the labour supply curve, either because of the terms of trade moving against the manufacturing sector - the growth of the capitalist agricultural sector will prevent this from happening - or through absorption of all the underemployed labour by the exchange sector.² As the economy expands the only sectors which increase their employment of unskilled

¹ Lewis op. cit and G. Ranis and Fei, "A Theory of Economic Development", in A.E.R., September, 1961, make a similar assumption.

² If all the underemployed labour is absorbed into the exchange sector, then the economy ceases to be an underdeveloped one and is classified as a developed economy.

labour anywhere near the growth rate of the economy are the service industries - in Africa domestic services employ substantial numbers of indigenous workers - and agriculture. It is probable that if no legal curbs are imposed the manufacturing sector may employ indigenous labour, which will eventually become skilled, but it is unlikely that in the absence of any "countervailing power", this labour will be able to get over the colour bar and be called skilled and paid the prevailing wage rates for skilled labour. In the absence of training facilities to the indigenous population, most of the skilled labour will be imported. As this means that most of the indigenous labour is employed in the service industries and capitalist agriculture, i.e. in unskilled jobs, the inflow of alien skilled labour and the expansion of capitalist agriculture determine the rate of absorption of the indigenous labour into the exchange sector. If for any reason there is an out-migration of alien skilled labour and contraction of capitalist agriculture, there is an automatic reversal in the trend of absorption of indigenous labour in the exchange sector and indigenous labour flows back into the native reserves which are according to the assumption of "general underemployment" already facing population pressure.

As the capitalist agriculture and the alien skilled labour provide most of the effective consumer demand for the manufacturing sector's output, any contraction in these sectors means a contraction in the manufacturing sector's output. This dependence of the economy on alien skilled labour and capitalist agriculture for consumer demand prevents any change from taking place in the "superstructure". This means that any chances of the backward indigenous population acquiring

skills remain limited.

Yet, at this stage, the rate of growth of the indigenous population is largely autonomously determined and is very high. This means that with limited opportunities in the exchange sector, it is probable then that eventually the Malthusian check will operate on the indigenous population which will die in increasing numbers through starvation, either in the Bantustans of South Africa or in the native reserves in Southern Rhodesia. The crucial assumption here is that the control of the "superstructure" does not change hands in favour of the peasants and indigenous workers, with the incidental assumption that traditional methods of cultivation do not change significantly.

14. A Digression: Neo-Keynesian Argument on Population Growth

Since we have made the level of aggregate demand, the determinant of the rate of investment and thus of the rate of growth of the economy, it is essential to look at the Neo-Keynesian view that population growth, increases the level of effective demand. A. Hansen¹, who is propounding the view that the fall in the rate of population growth has reduced investment outlets in the United States of America is concerned with a totally different economic situation. An increase in population growth means increase in consumer demand backed by purchasing power, whereas an increase of population rate in African 'reserves' will only mean an increase in the aggregate level of subsistence consumption. There might be a change in the pattern of consumer demand - more milk bottles instead of beer bottles may be demanded - but there is no

¹ A. Hansen, "Economic Progress and Declining Population Growth", A.E.R., March, 1959, quoted by P. Baran, "The Political Economy of Growth", p. 64, footnote.

significant change in the aggregate level of effective demand.

Leibenstein approaches this question in a different way. He feels that what is significant for an underdeveloped country is not the level of consumer demand, but the level of savings, which provide funds for investment. Therefore, increased consumption means reduced savings, thus reducing the possible level of investment.¹ This view may be more significant under a socialist system of development where the government controls and plans investment - and is thus able to channel savings into investment. But this view is of lesser significance where the capitalists determine the level of investment and are more concerned with the level of aggregate demand - quite often with the level of consumer demand.²

¹ "..... it has been argued, especially in the 1930's that population growth stimulates investment. But this is true only if there is a clear separation between investment and savings and if the inducement to invest is not limited by limited savings. Certainly one gets the impression that in low income economies limited savings are the consequence of high rates of consumption, and not low rates of investment....." H. Leibenstein, op. cit., ed. by W. W. Rostow, p. 179.

² Moreover as a counterweight to Leibenstein's point is Hirschman's argument that in underdeveloped countries "frustrated savings exist" because of the shortage of the "ability to invest", see his "The Strategy of Economic Development", p. 36-37. See also my footnote on the "availability of investment funds", section 9 of this Chapter.

Chapter III

Rhodesia

It is clear from Berg's¹ analysis that the parameters of the factors determining the supply of labour change over time. This means that it is necessary to examine them in a historical perspective. The approach, therefore, would be to study these factors from early days of "Pioneer" settlement to 1930 as one group. In the second section the period from the institution of the Land Apportionment Act to the current period will be examined.

I "PIONEER" DAYS TO LAND APPORTIONMENT ACT

A. Economic and Sociological Background to the Traditional Economy

It is essential to get a rough picture of the Rhodesian traditional economy,² just around the time when a real thrust was being made into the country by the whites from the South, i.e. around the 1890's. The Rhodesian economy being situated at some distance from the coast(s) had been largely insulated from the slow changes which were taking place in the trading and economic structures of the areas which were situated on or near the coast. An insignificant proportion of labour was being drawn from Rhodesia to the newly developed mines in South Africa. Subsistence agriculture was the main preoccupation.

¹ Op.cit.

² This is necessary because even to-day, the traditional economic set-up which is determined to a large extent by the past, continues to determine the supply of labour.

Land appeared to be in abundance. The indigenous population, I presume, was around 500,000 and the area is 150,000 square miles - three times the size of England;¹ the more fertile the land, the less was the effort needed to secure subsistence needs.² Shifting cultivation was essential to maintain the fertility of the soil, as modern fertilisers were neither known nor available. "Some time before the rains were due, a small plot was cleared and the cut bush burnt. After the first rains, maize, finger millet, sorghum, groundnuts and various vegetables were sown over the whole clearing. Each year a further patch was added to the original area until a total of about four acres was being cultivated. When the plot had reached this size a proportion of it was allowed to revert to

¹ "The first thought to strike anyone with the least knowledge of farming in English conditions might well be that surely in this country there is far more land than its population needs, enough surely for both black and white. But in Southern Africa one does not consider how many beasts can be carried on an acre, but how many acres will carry a beast; in the eastern parts of Southern Rhodesia, the answer is ten acres to a beast and in the west it is about twenty, varying, of course, from district to district, and sometimes going as high as fifty." P. Mason, "The Birth of a Dilemma". This is an important point to bear in mind, especially when we come to deal with population pressure.

² This would explain the continuous tribal movements in search of fresh pastures and virgin lands.

bush and an equivalent portion of virgin land brought under cultivation. Usually an area was worked for about five years.¹ When land was scarce partially rested land would be recultivated. Under this system Beck estimates that one square mile with 25 per cent of the land cultivated, 5 per cent waste and 70 per cent grazing could support 20 people at subsistence level. Allan has shown that to maintain the bush-crop-bush cycle without consequent soil degradation with a slash and burn technique and a regeneration period of 30 years considerable areas of land are necessary. If we apply Allan's reasoning Beck's estimate has to be enlarged approximately five times for the system to be maintained in perpetuity."²

Traditionally tribesmen held (hold) cultivation rights by virtue of their membership of a tribal community and these rights were (are) part and parcel of the whole series of rights and obligations which bound (bind) a man to his Chief and kinsmen. To the tribal African, therefore, land was (is) much more than a factor of production: it was (is) linked instead, to the whole system of social relationships.

The family was (is) the unit of production "... the men and women usually have complementary tasks, the men usually undertake the

¹ According to J. Clyde Mitchell, "A plot of land of this sort might be cultivated for one or two years before the yields began to fall". See his "An Outline of the Sociological Background to African Labour", p. 24.

² G. Kingsley Garbett, "The Land Husbandry Act of Southern Rhodesia", in "African Agrarian Systems", ed. by D. Biebuyck, p. 188-189. According to the official Yearbook of Southern Rhodesia, No. 2, "It takes about ten to fifteen years for soil which has been abandoned to recover and again be

heavy physical tasks such as clearing the land of brush-wood and trees and making up the large mounds in which sweet potatoes are grown, while the women, in addition to preparing and cooking food, do the weeding and harvesting and similar agricultural tasks, with the help of children.¹ The tools used for cultivation were simple; hoe and axe!²

There was no exchange on the basis of cash and there was no currency in existence. Under the system there was little inducement to produce more than subsistence and, therefore, there was virtually no specialisation in production. The other basic requirements, besides food, like houses and tools, were also provided by the family for itself.

The traditional man was secure in the knowledge of the given environment. Land provided the security of subsistence and social relationships, and for this it was valued highly. Children and relations provided sustenance in sickness and old age, and, therefore, were highly

fit for cultivation."

¹ W. J. Barber, on p. 71 of "A New Deal in Central Africa", ed. by Leys and Pratt says, "The adult males are responsible for the preparation of new farming sites while the women and children handle the sowing and reaping of crops."

² J. C. Mitchell, op. cit., p. 26.

desired.¹ After the satisfaction of subsistence needs, non-economic activities were valued highly. Yudelman points out in this respect that " non-economic activities (or non-productive activities) occupied much of the time of the typical tribesman and were undeniably an important element in his system of value. His restricted economy, which was based on a plentiful supply of land, was in internal and external equilibrium: a low level of production satisfied a low level of needs it was a matter of some concern (to him) if increased output could only be "bought" at a price of increased economic activity."²

¹ "Among the Shona the obligations arising from kinship are considerable. Within the family children have an obligation to their parents to provide for them in case of need. Brother and sister are closely linked. The marriage payment obtained for a sister is seen as a means of providing a wife for her brother. Arising from this a man's sister has a special interest in the well-being of her brother's children while a brother has a very close reciprocal relationship with the children of his sister." This type of kinship system "involving rights and obligations, is particularly resistant to change" G. A. Garbett, op. cit., p. 196.

² I. Yudelman "Africans on the Land", p. 97.

B. The Introduction of the Exchange Economy

In this static low-level equilibrium economy, the entry of a production system geared to increasing output and wants was bound to cause some repercussions. As it was unfamiliar and infringed the sacrosanct rights of the indigenous people to land, initially it was rejected and war followed between the "intruders" and the "natives".¹ The "intruders" having won the war began to impose their type of economy on the traditional one. The initial interest of the British South Africa Company, which had taken administrative control of the country, was mining, but as it was not as paying a proposition as in South Africa attention was soon turned to agriculture. Land was alienated for ranching and cultivation. Although tobacco was introduced as early as 1895, maize was the first crop in importance.

The development of mining and agriculture required labour. The indigenous labour at that stage did not find working in the exchange economy a paying proposition. The appearance of new goods and services tended to stimulate new desires (wants) through the "demonstration effect" - those Africans who had been working in South Africa brought

¹ The reasons for the Matabele and Mashona risings of 1896 are discussed by P. Mason, op. cit., p. 190-196 and 200-204. The most important reasons appear to be the alienation of the Matabele land and the way African labour was compelled to work for the Europeans.

back the new commodities they had acquired there, thus stimulating the desires of others. But this effect was far too weak, then, to create a sufficient outflow of labour from the indigenous economy into the exchange economy. Further, "the indigenous producer found his earlier non-money system in conflict with a system that required him to produce for revenue or sell his labour to satisfy his needs",¹ and as he was more familiar with the non-money system he tended to keep to it. Moreover, if acquiring of cash income became a necessity, then the first inducement was to produce a surplus for the market,² as this still meant employment within a familiar environment. He might balance this with the effort-price required in the two sectors. At this stage the wages offered were low and, therefore, the effort-price in the exchange sector was high.³

¹ Yudelman, op. cit., p. 97.

² "According to the Company's own figures the estimated number of horned cattle in African hands leapt from just over 60,000 in 1902 to more than 200,000 in 1905; acreage under cultivation increased from some 550,000 to over 730,000 whilst the approximate yield of grain shot up from roughly 1,270,000 bags to above 2,175,000." L. H. Gann, "A History of Southern Rhodesia: Early Days to 1954", p. 174-5.

³ "Southern Rhodesian Natives, sadly commented a local compound inspector, did not make good workmen, for the high price of grain was 'spoiling the local labour market and a woman cultivating one or two acres could make as much money in a month as her husband in three'." Gann, cit. above, p. 175.

But agriculture being a seasonal industry, the effort-price during the dry season would be lower in the exchange sector than in the indigenous sector and, therefore, employment might be sought during that season. Yet against this he had to balance the "costs" not only of leaving a familiar environment, but also of giving up non-economic activities in seeking employment in the exchange sector. In the initial stages, the level of target income was low and the preference for non-economic activities was high. Therefore, labour was not only difficult to get, at the low level of wages prevailing, but was also irregular in supply, depending not only on the seasons, but also on the level of village harvests. During the dry seasons and following crop failures the supply of labour increased and during rainy seasons and after bumper crops, the reverse followed.¹

C. Non-Economic Measures and the Supply of Labour

It was presumed by the capitalists that the wants of the "natives" were limited, as they had not sought employment voluntarily in greater numbers; and, therefore, there was not much point in raising

¹ "Europeans insistent cry (was) for a 'regular and non-spasmodic supply of labour', a commodity hard to get in existing circumstances, especially during the rainy season, when the tribesmen got busy on their own gardens." Gann, op. cit., p. 174.

wages.¹ The administration then considered three choices open to it:

- (a) It could raise taxes (and by this the target-income levels) and thus force more tribesmen on to the labour market.
- (b) It could import hired hands from outside.
- (c) It could make working conditions more attractive and improve systems of recruitment. All three methods were tried in chronological order.²

In 1896 a Native Hut Tax of 10s. had been levied. "By an Ordinance of 1904, this was raised from 10s. to £1 per hut and 10s. for each polygamous wife: the scale of taxation this represented may be gauged from the fact that it required between one and three months' labour for an African to earn £1 at this time. In addition, in 1902

¹ This presumption was contrary to the fact that those mines which paid higher wages had fewer complaints about the supply of labour. On this see Gann, op. cit., p. 176. Of course, this could be explained by saying that there was a redistribution of labour in favour of these mines and an all round increase in wages would not have led to an increased aggregate supply of labour. But considering the fact that a higher wage means a redistribution of labour in favour of the territory from neighbouring territories, and reduces the effort-price in the exchange sector, vis-a-vis the traditional sector, a higher wage would have increased the supply of labour; see Ch. II, section 3.

² Gann, op. cit., p. 175.

a Pass Law was introduced to get labour to go to where it was wanted.¹

In addition to raising taxes the administration tried to recruit manpower from outside. In 1905, the Rhodesian Native Labour Bureau was set up. The Bureau mainly relied on labour from outside the country to fill its quota, the constant influx of migrants from beyond its borders probably tending to keep wages down in Southern Rhodesia itself. Workers were also drawn on their own from the neighbouring territory into the Rhodesian exchange economy.²

Following deaths from scurvy and pneumonia the administration appointed compound inspectors to look into living conditions. New reforms - improvements in sanitation and the setting up of new hospitals - pulled down the mortality rate. Between 1904 and 1922 the white death rate dropped from 18.8 per mille to 8.92 per mille. For Africans, too, after a time lag there was a sharp decline in the death rate.³

Meanwhile, the European farmers were acting on their own initiative to get a sufficient supply of labour. They distinguished between licensed "squatters" and unlicensed "squatters". Licensed

¹ C. Leys "European Politics in Southern Rhodesia", p. 11.

² By 1903, some 3,000 to 4,000 Africans had found their way to Southern Rhodesia on their own, Gann, op. cit., p. 175.

³ Gann, op. cit., p. 182, footnote.

"squatters" were those Africans who were staying on land alienated to European farmers with their consent and on condition that they would supply labour to these farmers. Unlicensed "squatters" were those who were staying on European farms without this agreement. Thus an agreement between the two parties could turn unlicensed "squatters" into licensed "squatters". An excellent example of this is given by P. Mason: "There is an agreement reached a few months after the death of Rhodes between John Basil Mitchell acting on behalf of the Rhodes' estate at Inyanga and certain 'indunas', on behalf of 250 heads of families who live on the farms of the estate. Mitchell undertakes not to call out more than one-sixth of the adult males at any one time for work on behalf of the estate and no one man shall be called out for more than two months in one year; for such requisitioned work or corvee the estate will pay 10s. a month to a grown man and 5s. to a boy. Any labour beyond this will be voluntary and paid at market rates; those living on the land may continue to use the land they at present cultivate, but an annual rent of £1 will be paid. The effect of this agreement on the 'adult male native' is that he can pay his rent to the landlord by the two months' corvee, but will still have to find his Government tax, and so will presumably work a little longer at market rates. After three months' work, if very abstemious, and if meanwhile fed by his wife, he might begin to earn money he could spend. Such agreements as this were regulated by a series of ordinances."¹

Thus, by various means, mainly non-economic, the agricultural

¹ P. Mason, op. cit., p. 265-266.

and the mining capitalists attempted to secure an unlimited supply of unskilled labour, at the given low level of wages. But, meanwhile, the capitalist sectors (especially the agricultural sector) were expanding rapidly, thus increasing their demand for labour.

D. The Expansion of the Capitalist Sector and the Supply of Labour

In 1911, mining employed nearly 50 per cent (41,860 Africans) out of the capitalist working force of 84,155. Agriculture was the next with 13,516 indigenous men in employment. In 1921, the total percentage employed by agriculture was about 40 per cent out of the total labour force of 147,316. It was the leading employer (58,522) with mining, employing 44,005, next. Thus between them the agricultural and mining capitalists employed about 70 per cent of the labour force.¹ The following table from Buell² indicates the dependence of European

¹ These two sectors then controlled the "economic base", and it is not unnatural to assume that they came to control the "superstructure" when responsible government was granted to Southern Rhodesia in 1923, by Britain.

² R. L. Buell, "The Native Problem of Africa", Vol. I, p. 224. The lower employment figures in 1925, compared with 1921, indicate a mild recession in economic activity.

employers on alien unskilled labour and suggests the availability of alternative earning sources for some indigenous males:

Natives in Industrial Employment in 1925

	Work other than Mining	Mining	Totals
Indigenous	44,651	10,572	55,133
Alien	63,100	29,072	92,072
Total	107,651	39,644	147,205

The table shows that about two-thirds of Rhodesia's labour supply came from without the colony. At the same time the supply of the local labour market increased from 28,701 in 1910 to 55,133 in 1925, clearly indicating that an increasing number of the local African population was attempting to maximise its income by seeking employment and thus supplementing its subsistence earnings with wage earnings. In 1925, one-fifth of the native population - representing the males of working age - was about 167,000.¹ This means that only a third of the potential indigenous workers were in European employment - a section of the male indigenous population found alternative opportunities to wage employment more attractive. This suggests the low level of wages paid by the exchange economy, as the imposition of the hut tax automatically made the earning of cash income essential for the indigenous African population. Buell feels that the employment of large proportions of alien labour demonstrates "that Rhodesian industry suffers from a labour shortage",² but it also seems to point to their effort-price

¹ Information from R. Buell, op. cit., p. 224.

² R. L. Buell, op. cit., p. 226.

in the exchange economy, vis-a-vis the traditional economy.

E. The Changes in the Indigenous Economy and the Supply of Labour

The alternative opportunities of earnings to wage employment are provided by the traditional agricultural sector. The following table¹ illustrates the changes which were taking place in the indigenous agricultural techniques, and the dissatisfaction which might have followed this change:

Estimated number of:	Year 1920	Year 1930
Cattle	744,402	1,558,075
Donkeys, Mules and Horses	8,360	40,946
Ploughs in Use	14,429	50,189
Acres under Cultivation	1,224,000	1,378,000
Average Yield per Acre	2.7 bags	2.2 bags

"The (use of) plough meant a social revolution, putting the men on the fields instead of the women, but unskilled tillers would often exhaust the soil, while untilled area of worn-out land provided but poor grazing for cattle."² This table shows an increase in the effort-price in relation to output in the indigenous sector for the male African. Therefore, the fact that having utilised a life-time's savings to buy plough and oxen, his income from cultivation had not increased (as average yield per acre fell, even though the area under cultivation had increased) was bound to lead to some dissatisfaction with a system

¹ Table from Gann, op. cit., p. 272.

² Gann, op. cit., p. 273.

which placed reliance only on land for income. At the same time, the figures also indicate the difficulties faced by indigenous cultivators in increasing their income through increasing agricultural output, without the provision of credit facilities to buy fertilisers and good quality seeds. Moreover, the lack of transport and communications facilities meant greater costs in transporting farm inputs and outputs than those faced by white farmers, who had excellent facilities.¹ The increasing intensity of effort of the male African is apparent from both agricultural ('subsistence') and employment figures, indicating the increasing demand for income to satisfy increasing wants.² Barber's hypothesis³ - that the worker attempts to maximise his income, by moving to and fro between the traditional sector and the capitalist sector at the appropriate times - fits in around this time. But this does mean

¹ Any map on communications dealing with Southern Rhodesia shows an arterial formation linking European areas to each other. Any benefit to African areas is incidental.

² It is, therefore, not logical to suggest that given sufficient incentives, i.e. facilities for improvement in agricultural output, the African farmer would not have increased his output.

³ See Chapter II.

that the male worker has to give up his job as the tiller of the field and be concerned with biennial (or triennial) shifting of cultivation to another field. It is probable (quite contrary to Barber's assumption) that in cases where the male does not act as the tiller of the field, especially after the introduction of the plough, there is a fall in output. Yudelman¹ quotes the "Report of the Hangwende Reserve Commission of Inquiry, 1961" on this: "The family pattern of migrant labour is, however, not regular and the sizes of family holdings may well vary considerably from time to time. The indigenous system of tenure allowed these periodic adjustments to be made in a flexible manner. The degree of flexibility may be gauged from the fact that, at any time, up to an estimated 47 per cent of able rural males is absent on migrant wage labour for periods ranging from a few months to several years, during which time their families at home are likely temporarily to restrict their cultivations, seeking to extend these again upon the return of the males." It is clear from this that the absence of the male will result in a fall in output, but the maximisation of income may still demand that the male seek employment in the capitalist economy at periodic intervals; in this case the wage-rate should exceed his possible contribution to the traditional earnings, if he worked full time in the traditional sector as the tiller of the field.

But the institution of the Land Apportionment Act limited the benefits of extending cultivation in the traditional sector - the benefits of acting as the tiller of the field were far fewer after this than those from seeking wage employment.

¹ Op. cit., p. 109-110.

II THE LAND APPOINTMENT ACT TO PRESENT DAY:

A. Economic and Political Background to the Land Apportionment Act of 1930

The conception of the African as a temporary visitor (worker) to the industrial centres and to the farms was accepted initially by both European capitalists and African workers. The African was able to supplement his subsistence needs through wage earnings. The European employer had the advantage of not having to provide permanent housing facilities and wages sufficient for the subsistence of the whole family. Further, the traditional sector through its social rights and obligations acted as a "welfare state", providing the unemployed, incapacitated or retired African with his subsistence needs. The state under these circumstances not only felt that it had no obligation to provide the necessary measures (houses, minimum wages, old age pensions, unemployment and incapacitation allowances, etc.) to stabilise the labour force, but felt also that it was in its interest to perpetuate the migrant labour system.¹ At the same time within this migrant labour system it was essential to ensure the maximum supply of labour to the capitalist economy. The way to ensure the maximum supply of African labour under the above system and at the given level of wages

¹ The advantages of this system were seen during the 1929-30 depression, when the unemployed Africans "disappeared" into the reserves. Incidentally, during the depression the small white farmers pressed the Government successfully to pay them higher prices for grain. Since then the internal market for grain has been reserved for these farmers and the prices have also been maintained by legislation at a higher level than the world market.

was to ensure that traditional farming, which provided alternative employment opportunities for the African, would be barely enough to provide the subsistence needs of the African migrant labourer and his family. The Land Apportionment Act did exactly this.

It is of interest to note that the "superstructure" was controlled by those in whose interest it was that land should be apportioned and that labour should be kept migrant. After 1923, the white European minority came to control the "superstructure" - the Government became representative of European farmers, European miners (most of the mines were small and looked for cheap, unskilled labour) and European "skilled" labour, whose interest was to get cheap labour for domestic services. There was also the interest of limiting competition to European skills and European farming; and this interest was served by this Act.

B. The Land Apportionment Act(s) and the Supply of Labour

"In 1902 the area of the reserves was in the neighbourhood of 21 million acres. The remaining territory something under 60 million acres, was open to purchase by Europeans and under the terms of the Cape Clause, by Africans (*italics mine D G*). However, unfamiliar with the workings of an exchange economy, Africans seldom found themselves in a position to exercise their nominal right to purchase land, even if they could locate a seller, whether it was the Company or a European. In 1925, when white settlers were pressing for repeal of the Cape Clause, only about 45,000 acres were privately owned by Africans. By that time, however, 31,000,000 acres had been acquired by Europeans."¹

¹ Yudelman, op. cit., p. 65.

The Land Apportionment Act of 1930 satisfied the demands of this pressure-group. By the Act, land was to be distributed in the following way:¹

European Area	49,149,174
Native Reserves	21,600,000
Native Purchase Areas	7,464,566
Special Native Areas	---
Unassigned	17,793,300
Wankie Game Reserve	---
Forest Area	590,500
Undetermined	<u>88,540</u>
	<u>96,686,080</u>

The area under "Native Reserves" was retained at around 21 million acres; plus 7.5 million acres was reserved for purchase by those individual Africans who might wish to cultivate land on an individual basis. The 'difficulties' in implementing the section on "Native Purchase Areas" are summed up by Yudelman²: "Purchase areas require surveying, many of

¹ Table from Yudelman, op. cit., p. 75.

² Yudelman, op. cit., p. 72, "Special Native Areas", have been allocated by subsequent amendments to the Act, out of land originally classified as "unassigned" the greater part of which lay in low, tse-tse fly territory and away from the line of rail in the North-West of the country.

them lack water and roads, and there has been no capital available for their development. In addition, large proportions are infested by tse-tse fly. The biggest obstacle, however, has been that many of the areas have been occupied by African squatters who had moved on to them before they were classified as purchase areas." No African was entitled to hold or occupy land in European areas except under special provisions; one of these was that the owner or occupier of alienated land could enter into an agreement with an African, "whereby a native or his family shall be permitted to occupy a portion of such land under condition that he supply labour to such owner or occupier."¹ (italics mine D G).

The Land Apportionment Act, though at the time when it was passed was regarded by some as intending to protect the African against European competition was (as is clear from the above) in a very subtle way the adoption of the "Two-pyramid policy"² advocated initially by W. H. Wilson, with all the benefits going to the European. In fact what the Act meant was that practically all the best land was to be preserved

¹ Yudelman, op. cit., p. 73.

² "One pyramid was white, with a black base consisting of African unskilled workers and stood in the European area; the other was black except for a white tip consisting of European Native Administrators, and stood in the Native Area." C. Leys, op. cit., p. 31, see footnote.

for the Europeans - very little of this was to be cultivated.¹ Though quantitatively it still appeared that the Africans could expand cultivation and output, qualitatively, especially with the lack of credit facilities and boreholes² and under the existing system of shifting cultivation, this was difficult. Thus, alternative opportunities to wage employment were reduced. This was to result in an increase in the supply of labour. In a way, Land Apportionment Act fits the policy recommendations of Enke's model: capitalist agriculture was to be the growing sector and ensured not only unlimited supply of unskilled labour at low wages by keeping down the marginal productivity and thus the opportunity cost of the worker in the traditional sector, but also prevented the terms of trade from turning against the manufacturing sector. But the important point to note is that the unlimited supply of unskilled labour will not necessarily keep the total wage bill of the manufacturing sector low. The wage bill will also be determined by the supply of skilled labour.³

If we have another look at the "two-pyramid policy", we find that the Industrial Conciliation Act of 1954 limited the supply of skilled labour from within the economy. This again became possible

¹ "In the 1956-57 season, only 21 per cent of its European farming was under crops These idle lands are not only qualitatively superior to the crowded African areas, but they also enjoy heavier rainfall and better access to markets." Lays and Pratt, *op. cit.*, p. 61-62.

² The shortage of water is one of the major reasons limiting acreage under cultivation.

³ See for reference Ch.II, section 11 of the thesis.

because the European skilled workers were a controlling group in the "superstructure".

C. The Colour-Bar in Employment and the Supply of Skilled and Unskilled Labour

After observing the traditional methods of cultivation and the low target-income levels of some of the Africans, the Europeans had concluded that the income and consumption goals of the Africans were limited. This had led the Europeans, who claimed that they had higher consumption targets, to demand that they be paid higher wages and be protected from competition against the Africans. On this R. J. Buell¹ wrote as early as 1927: "Although no legislative colour bar exists on the Rhodesian mines, the fifteen hundred Europeans employed as skilled labourers in these enterprises resent native competition as much as do the South African miners. Following the World War, the European unions brought about a strike, partly to secure increased wages and partly to drive out non-union labourers. While the mine operators settled the strike by inducing the Union to accept the principle of the open shop, in return they promised that the policy not to substitute coloured for white labour would remain unaltered." Thus, from quite early on, the white workers were successfully pressing for segregation of skilled jobs on the basis of colour. After the strike by European employees in the building industry in 1932, and on the recommendation of the committee of enquiry which had been set up following the strike, the Government enacted the Industrial Conciliation Bill in 1934. "In 1937 the Act

¹ Buell, op. cit., p. 231.

was amended with the object of providing protection for European artisans against the alleged encroachment of Natives who were paid lower wages."¹ Until the Apprenticeship Act of 1959, there was legal barrier to the employment of Africans as apprentices by the employers. Apart from this, there were other clauses as well which legalised the policy of job reservations for whites. One of the clauses was "equal work for equal pay"² which by implication debarred Africans from skilled positions, because employers would not employ Africans if they could get Europeans for the same pay - Africans were regarded as inferior in skills to Europeans. The consequences of this can be expressed by a simple explanatory, two factor model.³ The first factor is "white prejudice", causing discrimination against the Africans in various respects, and the second is the "low productivity of the Africans". These two factors are mutually inter-related. The Africans' low productivity is kept down by discrimination from the whites, while, on the other side, the Africans' low productivity confirms the whites in their bias against the Africans. This bias will mean that opportunities to improve their productivity and skill will not be given voluntarily to the Africans.

¹ Official Yearbook of Southern Rhodesia, No. 4, 1952, p. 210.

² C. Leys, op. cit., p. 30.

³ This is based on G. Myrdal's hypothesis of "circular and cumulative causation". Whereas Myrdal is concerned with both the upward and downward causation, I am interested only in the downward causation. For the presentation of a similar model to above, see his "Rich Lands and Poor", p. 16-17.

The improvement in African productivity was further made difficult by the conformity in policy demanded from the whites by their social and political system. Writing about the Federation of Rhodesia and Nyasaland, Patrick Keatley says: "Among the 312,000 defenders in the Citadel of Easy Living, the rule of mutual survival is 'Thou shalt conform'".¹ C. Leys' theme on Rhodesia is that fifty years of settler politics have failed to create a two-party system in Rhodesia; government consists of a one-party machine, plus a row of critics whose viewpoint has always been the same -- that the government is surrendering to the "Natives" and is failing to stand up for settlers' rights, which by implication are to keep the "Natives" backward. Any movement by government to improve matters for the Africans leads to pressure from within the party and a swing to the Right.² L. Tow points to the fear of social and economic ostracism on the part of industry: "In several factories where experiments have been carried out with the employment of Africans in clerical work, inventory control, book-keeping, etc., employers have taken care to isolate the African staff in special quarters away from the front of the business, so as not to offend European employers and customers."³

The other important point about the Industrial Conciliation Acts have been the feature of not regarding Africans (until 1960) as "employees", with the consequence that they have not been entitled to any say in the Industrial Conciliation machinery, which was brought into being by the Acts. Referring to the housing schemes which had been set

¹ "The Politics of Partnership", p. 242.

² "European Politics in Southern Rhodesia", *passim*.

³ "The Manufacturing Economy of Southern Rhodesia", p. 104.

up in towns for Africans, P. Mason¹ says: "the municipal locations were based on the assumption that every African had a permanent home in the reserve, where his wife and children could support themselves while he was away; he came temporarily to the town, or might for a short time bring his wife on a visit, but this could never be his home, he could never be a permanent town-dweller." This view was confirmed by the then Prime Minister, Godfrey Huggins. Speaking to the Rhodesian Parliament in 1958 he said: "In the European area the black man will be welcomed, when, tempted by wages he offers his service as a labourer, but it will be naturally on the understanding that there he shall merely assist, and not compete with, the white man"² Similarly, the Flewman Report points out: "The position, as we see it, is that up to and including the present, European thought and action has tended to regard the African as essentially a member of a rural society with his urban activities regarded as temporary deviation from the norm."³ Therefore, European policies tended to discourage any urbanisation on the part of the Africans. The policy of providing housing facilities and wages sufficient only for single men perpetuated the migrant system of labour supply and thus weakened the ability of the Africans to improve their skill and productivity through continuity in employment. The insecurity of the urban environment (loss of job meant the loss of

¹ "The Birth of a Dilemma", p. 268.

² Quoted in Yudelman, op. cit., p.50.

³ Report of the Urban African Affairs Commission, 1956, p. 27.

shelter as well)¹, together with the absence of any social amenities lead to the maintenance of strong ties by urban Africans with their rural areas. The kinship system "involving rights and obligations is particularly resistant to change" according to Garbett and we can safely add that the authorities have done little to encourage the Africans to give up this system.²

The government has also ignored the provision of training facilities for Africans in schools. Most of the native schools are run by missionaries³ and "most native schools still do not offer facilities beyond Standard III. In 1951, there were 597 schools in the colony

¹ " ... The terms of the Land Apportionment Act effectively preclude the Africans from owning land in the urban locations (which are in white "areas"). The native resident is everywhere reminded that he is essentially a transient. Natives may reside in the townships only with the permission of the town pass officer, may only leave their urban homes for more than two weeks with his consent and may in some cases go out after 9 p.m. only with his approval." Thomas M. Franck, "Race and Nationalism", p. 139.

² G. Kinsley Garbett, "The Land Husbandry Act of Southern Rhodesia" in "African Agrarian Systems, ed. by D. Biebuyck, p. 196. The consequences of this policy are outlined in the discussion on that Act.

³ The missionary societies have been under constant pressure not to do this. Here is Sir Hugh Williams, M.P., speaking in Huggins's Legislature: "The native will continue to be honest if you leave him with his beads and blankets ... If we could clear out every mission station in this country and stop all this fostering of higher native education, we would become an asset to the Empire ... We are simply committing suicide." P. Keatley, op. cit., p. 297.

which offered Africans an education up to the end of Standard III, but only 72 offered Standard IV. Enrolment dropped from 14,194 in Standard III to 5,544 in the next grade. Since that time there has been a general improvement, but opportunities have increased primarily in the first three standards, so that the big drop still exists."¹ T. M. Franck gives an excellent comparative account of the education facilities for Europeans and Africans: "While the African must contend with long odds against achieving a full education, his white 'partners' are, everyone, entitled to free tuition from six to eighteen ... Attendance (for Europeans) is compulsory to age fifteen ... There are nineteen full secondary schools" for Europeans as compared to six for Africans, out of which four are mission-run schools. "Moreover, while the African pupil, with the exception of the four per cent attending government schools, must pay tuition to the insufficiently assisted mission schools, the European receives his tuition without charge. Some sixty European Government schools also offer boarding facilities at sub-economic £36-50 per pupil, a charge which is waived in the event of hardship ... A federal Technical College at Bulawayo and the Polytechnic at Salisbury provide the European with excellent institutional training to supplement the apprenticeship system."² Even if we ignore the strong egalitarian

¹ Thomas M. Franck, *op. cit.*, p. 123.

² T. M. Franck, *op. cit.*, p. 124-125. In December, 1957, Mr. Todd, then Prime Minister of Southern Rhodesia, said, "It was true that there were no technical schools for Africans." *Rhodesia Herald*, 14th December, 1957, under "Union should work for efficiency of Members - Todd".

arguments against this apartheid in education, we still have strong economic arguments against this springing from the resulting waste of resources implicit in any such policy. This is clearly brought out by Keatley. "One Salisbury school for white children was closed recently for lack of sufficient pupils. In September, 1962, the Principal of Nyatsime College for Africans, A. N. Wakatama, said - in evidence to the belatedly appointed Education Commission - that he had received 1,100 applications for sixty-two available places."¹ This discrimination against Africans in the fields of apprenticeship, skilled jobs and education, together with legal disregard for their position as "employees" not only ensured that the Africans would remain backward² but also made the supply of skilled labour largely dependent on the supply of European labour. The consequence of this colour bar, by which the "African worker is prevented from (1) acquiring skill, (2) exercising skill and (3) obtaining the full reward for the exercise of skill" is "to decrease the supply of skilled labour and to increase the supply of unskilled labour as compared with the supply of both types of labour that would be forthcoming in the absence of such arrangement ... The result is a gap between skilled and unskilled wage rates generally much greater than in most parts of the world."³ The difference in the

¹ P. Keatley, op. cit., p. 370.

² This confirms Nyint's, op. cit., contention that the absence of any countervailing power on the part of the Africans is one of the strongest factors in keeping them backward.

³ Report on the Development of Secondary Industries in Northern Rhodesia by N. J. Burchau, p. 4, quoted by L. Tow, op. cit., p. 103.

wage-rates for Europeans (which nominally can be termed as skilled labour) and Africans is expressed by this Table:¹

Male Operative Staff in Manufacturing Industries in Southern Rhodesia (Excluding All Administrative, Technical and Clerical Staff) and Total Wages and Salaries Paid 1946-53:

YEAR	NUMBER OF EMPLOYEES		TOTAL WAGES OF EMPLOYEES	
	Europeans	Africans	Europeans	Africans
1946	2,932	34,964	1,474,125	903,588
1947	3,180	34,858	1,791,065	1,155,244
1948	3,832	40,921	2,365,290	1,497,204
1949	4,278	46,385	2,848,806	1,903,787
1950	5,426	52,595	3,954,524	2,516,410
1951	5,904	56,748	4,788,961	3,042,705
1952	6,059	57,281	5,438,126	3,274,976
1953	6,322	59,228	5,756,737	3,714,129

The figures show that European employees, who numbered on the average about 1/10 of African employees, received aggregate wages on the average of one and a half as much as aggregate African wages - the table indicates that the institutionalised European workers were able to obtain far more than the African workers. Therefore, the supply of labour does not in a straightforward manner determine the economic surplus (which we equate with profit in this case).² In fact the institutional factors

¹ Table from L. Tow, op. cit., p. 106.

² P. Baran in, "The Political Economy of Growth", Forward, p. xix disagrees with this definition, because he feels that interest, rent and advertisement costs are all very often part of the economic surplus. The difficulty of applying his definition is accepted by him.

make the supply of skilled labour deliberately scarce, so that European labour can earn such high wages. This reduces the possible level of economic surplus.

Meanwhile the supply of unskilled labour is increasing because of the increase in population.

D. Population Growth, "General Underemployment" and
the Supply of Labour

As pointed out in Chapter II, population growth is partly induced and partly autonomous. Induced population growth results from the increasing level of per capita consumption. The existence of alternative opportunities of earnings to traditional agriculture means that there is now the possibility of survival from famine,¹ in cases of crop failures. Moreover, the absence of the male from the traditional economy under the given division of labour will mean an increase in per capita consumption. Further, the combined income resulting from wage earnings and traditional earnings also raises per capita consumption. Thus population growth could be induced in several ways. If the exchange economy² and the traditional economy are both expanding production, then the Malthusian check on population does not operate.

¹ Before the entry of the white man, "The level of their production was sufficient to meet only their immediate requirements and the market for which they catered was local and small. To a very large extent they were at the mercy of the seasons for their crops - surpluses and storage capacity were embryonic." Report of the Urban African Affairs Commission, 1950, p. 5.

² The growth of the exchange economy will be discussed under a separate heading.

As shown in Section I,E, the traditional economy was expanding its production in the 1920's. But in the absence of extension facilities and under the system of shifting cultivation, as population rose, this possibility of increasing production became limited. This is clearly brought out by Jarrett: "In 1926, when the African population was 936,000 the administration had estimated that 940,000 persons could be supported under the traditional system of land use on the Native land then available. The maximum carrying capacity of the land had been almost reached. As population began to press upon available resources the movement of villages became restricted or impossible. Land was brought back into cultivation before the soil had a chance to regenerate fully. Grazing areas were also destroyed as the number of stock increased. In some areas where land was becoming particularly scarce fragmentation of holdings occurred so that individual holdings became smaller and smaller. The land could no longer support this burden and soil degradation brought falling yields."¹ According to the survey carried out by the Agriculturist of the Native Development Department, around 1950, "an average of 10 per cent of the arable land is worn out land." Any intensive cultivation under the traditional system of cultivation increases this category of land. Further, not all of the 10 million acres of land classified in the "Native Reserves" as "arable" is irrigable. "For example, the Gwaai Reserve has an area of 1,126,000 acres, and most of this is arable land, but due to dry rivers and no water during several months each year, this land is not available for occupation except along the Gwaai River and in the neighbourhood of

¹ Op. cit., p. 189-190. Population estimates show an increase in African population from 530,000 in 1902 to 936,000 in 1926 - an increase of about 60 per cent in 24 years.

boreholes and windmills," (where it) "is fully occupied and well stocked with cattle, and other land in the Reserve, no matter how good it might be, cannot be even regarded as grazing land for cattle until further development is made in the erection of windmills."¹ By the Land Apportionment Act of 1930, as we have already seen, the area under the "Native Reserves" classification was not extended. The area classified as "Native Purchase area" had become occupied by the overflow of the population from the "Native Reserves". As the institutional separation of land according to ethnic groups ran counter to economic forces operating at the peasant level, this overflow also followed into the "European area": "African producers were wasteful in their use of land, but in the absence of capital and technical assistance, and without alternative forms of employment, land was essential to their security, just as it is in most peasant societies. As population increased or their lands became eroded they merely moved to unoccupied areas regardless of whether the control map decreed these areas were to be European, unassigned or for individual tenure (by 1948) close to 300,000 Africans were residing on European-owned land or were occupying land within the areas marked for European use."²

Meanwhile, the "unassigned" land, most of which was in remote and dry areas, and a portion of which was infested by tse-tse fly was supposed to provide a cushion for expanding acreage and meeting the subsistence requirements of an increasing African population without

¹ Official Yearbook of Southern Rhodesia, No. 5, p. 671-2.

² Yuelman, op. cit., p. 73-74.

diminishing European acreage. The "unassigned" area amounts to about 17.6 million acres under the Land Apportionment Act of 1930. By 1953 only about two to three million from this had been allocated to the African areas.¹ In 1951, the African population was estimated to be 2 million² - it had more than doubled in twenty-five years. Assuming that there had been little change in the methods of cultivation and proportionally little of the land was made irrigable through the provision of boreholes and wells³ in the African areas during this period, the conclusion is that (even when in 1948 300,000 Africans were residing in the European areas) there was population pressure in native areas at this time. This means that "General underemployment"⁴ had become under the Land Apportionment Act a feature of the Southern Rhodesian economy. After the war, when the demand for European land increased because of the growing number of immigrants, the government began to enforce the

¹ See Table 4, p. 75, Yudelman, *op. cit.*

² See official Yearbook of Southern Rhodesia, No. 4, Table on p. 197.

³ "To date over 700 dams and weirs have been constructed enumerating only those which are large enough to give reasonable hope of a year-round supply of water. A total of 1,530 successful boreholes have been sunk and over 920 deep wells have been dug. Ten irrigation schemes have commenced and 2,500 acres of land is under irrigation." Government publication, 1955, "What the Native Land Husbandry Act means to the Rural African and to Southern Rhodesia", p. 16.

⁴ See Chapters I and II for explanation of "General underemployment".

Land Apportionment Act and evict the Africans from European land.¹ This naturally put more burden on the African reserves and led to an increasingly available supply of labour to the exchange economy, which was then beginning to gain tempo. At the same time, the population began to increase at an increasing rate, partly because of increased earnings from the exchange economy, but mainly because of the post-war developments in medical facilities.²

E. The growth of the economy and the demand for labour

The pre-war economic landscape of Rhodesia, in its broader aspects, presents a picture of a technologically backward agricultural country, within which can be discerned a few small pockets or enclaves, principally farms and mines using more advanced techniques and providing a comfortable living for a tiny elite backed up by ten times the number

¹ "In the seven years from 1949 onwards, eighty thousand blacks were shifted from land in the European Area to "other Areas specially prepared for their reception." Another thirty thousand had at that time still to be moved, not counting the twenty-two thousand to be transferred out of the Zambesi Valley on the Southern Rhodesian side where the tribal lands are to be flooded by the great hydro-electric power dam at Kariba." Cyril Lunn "Central African Witness", 1959, p. 77. A similar report is found in Leys and Pratt, op. cit., p. 101.

² "The African population had increased by more than 700,000 persons between 1941 and 1948, while the area apportioned for their use had remained almost unchanged." Yudelman, op. cit., p. 74.

of unskilled labourers whose productivity was generally extremely low.¹ "To a large extent exports were dominated by mineral exports, which in 1955 amounted to 80 per cent of the Domestic Exports. Excluding Northern Rhodesia this was one of the highest ratios in British East and West Africa and in South Africa, showing even a slightly higher bias towards minerals than the Union of South Africa (79 per cent). Of the remaining 20 per cent, the most part came from manufactured tobacco ... Of the total value of the gross output of secondary industry, only just over 10% was devoted to the export market. In short, the manufacturing and construction industry was largely devoted to meeting the needs of the home market. It was also dependent on the importation of capital equipment and raw materials and thus was not contributing by way of foreign exchange earnings to the payment of these imports."² Within the next two decades or so there was a dramatic change in this economic landscape.³

This change was brought about by certain exogenous factors, operating in favour of the Rhodesian economy. The most important of these was the outbreak of the second World War. The economic impact of the war was to bring about a substantial increase in consumer demand while restricting consumer supplies.

¹ This was stated by D. S. Pearson, formerly a Lecturer in Economics at U.C.R.N., in a public lecture delivered last year (1965), entitled "Some Aspects of Industrialisation in Rhodesia". Some of the ideas in this section are directly borrowed from that lecture.

² Report of the Urban African Affairs Commission, 1958, p. 7-8.

³ In 1958, the Gross value of output in manufacturing was £5.1 million. By 1950 it had increased to £42.4 million. See Tow, *op. cit.*, p. 4, Table I.

The increase in demand was primarily the result of the rise in European population, brought about by the use of Rhodesia as a major training ground for the Royal Air Force; the restriction of supply resulted from the obvious difficulties of obtaining overseas imports in time of war and to the demand on South African industry by the large numbers of troops in transit to the East. This restriction in imports extended to the other Central African economies as well, where, too, demand was expanding, especially on the Copperbelt. This unfulfilled demand, offering natural protection against competition from overseas, was an inducement for manufacturing plants to be set up in Rhodesia to supply the requirements of Central Africa. The termination of the war did not alter the situation immediately, because most countries were still concerned with the fulfilment of their own internal demand. Therefore, capital and skills, especially after the war flowed into Rhodesia from South Africa and Britain. Thus the 1940 decade, especially the second half of it, saw a great increase in the total output and employment of the manufacturing industry.¹ The growth of the manufacturing industry had secondary repercussions, mainly on commerce and other service industries.

The growth in the tobacco industry was also due to similar reasons and followed a similar pattern of growth as the manufacturing industry. Although ever since the early 1930's tobacco production was taking place at a reasonable rate because of the suitable soil (of granite formation), the most remarkable growth came after the war. Following the war the shortage of dollars in the world led to an

¹ Manufacturing industry's labour force rose from 20,616 to 66,221 between 1940 and 1950. Tow, op. cit., p. 6, Table 4.

increased demand for Rhodesian tobacco to displace demand for the United States tobacco. In 1937-38 season, the total production amounted to 26.7 million lb.; in 1943-44 it was 34.5 million lb. and in 1949-50 it rose to 107 million lb. As we have already seen, following the war there was an increased demand for agricultural land in the European area, which in turn resulted in the eviction of Africans from this area. Quite often the African was allowed to stay on in the "European area" if he agreed to commute his labour for his residence there.¹

The Domestic service sector also employed increasing numbers of Africans during this period. The Rhodesian society demands a high consumption standard from its European residents. Therefore, the net rate of increase in European population is a rough indicator of the rate of increase in domestic service employment. In 1936, the European population was 55,400, by 1951 it had jumped to 136,017;² an increase in population of roughly 65% took place between 1946-51. This increase was due to an influx of Europeans into the country after the war. This in turn was due to the excellent reports about the climate and the standard of living, which the R.A.F. men took with them, or sent out from Rhodesia to the United Kingdom. The substantial increase in European population resulted in a substantial increase in the number of domestic servants.

¹ The employment of 'Natives' in agriculture rose from 96,195 in 1940 to 168,997 in 1950.

² Between 1941 and 1946, the European population increased from 68,954 to 12,566 and the 'Native males' in domestic service employment rose from 37,190 to 47,705, showing a marked relationship between the two. Figures from official Yearbook of Southern Rhodesia, No. 4.

Thus the overall picture, which emerges at this stage, is that of an economy vigorously expanding production in all sectors of the economy - the most rapid growth in output took place in the manufacturing sector; the least rapid in the mining sector.¹ This view of rapid growth is confirmed if we examine the investment and national income figures.²

Investment in Southern Rhodesia

Year	1949	1950	1951	1952	1953
Investment from Domestic funds	£ 10,100,000	£ 15,100,000	£ 8,900,000	£ 16,600,000	£ 17,200,000
Foreign Investment	£ 27,400,000	£ 19,600,000	£ 50,700,000	£ 41,300,000	£ 26,800,000
Total Investment	£ 37,500,000	£ 34,700,000	£ 59,600,000	£ 57,900,000	£ 44,000,000

Net Income Produced in Southern Rhodesia

Year	1949	1950	1951	1952	1953
Net income produced in Southern Rhodesia	£ 75,600,000	£ 94,000,000	£ 102,100,000	£ 121,100,000	£ 133,600,000

¹ Though between 1940 and 1950, the quantity and value of mining production went up, there was a drop in total employment of Africans from 65,760 to 57,677, during this period. This is due to the increased capital intensity in small and medium-size mines, where the drop in employment took place, and due to the increasing efficiency of Africans. Material from official Yearbook, No. 4, p. 519.

² Figures from Tables on pages 10 and 9 of the Report of the Urban African Affairs Commission 1953.

The investment figures show a high rate of investment, over the five year period, in relation to the level of national income. Except for 1953, the rate of investment has been more than one-third that of the level of national income. During the federal period, no separate figures for investment were recorded for Rhodesia. But it is certain that Rhodesia received at least a proportionate share of the gross investment. "On the average gross investment has taken more than one-third of the Gross National product in the post-federation years. Much of this investment, to be sure, has been financed from abroad, rather than from domestic saving."¹

Having shown that investment and aggregative and disaggregative income figures show a remarkable growth of the economy during the decade following the Second World War - growth dependent largely on the inflow of capital and skill from abroad - we now turn further attention to the effects of this on the level of employment and wages.

The following table gives us not only the total number of Africans employed, but also gives us the separate figures for indigenous African males, non-indigenous African males, and females in employment, together with the estimated numbers of adult indigenous

¹ Leys and Pratt, op. cit. p. 59.

males:¹

Estimated number of Indigenous Adult Males
and Analysis of Natives in Employment

Census Date	Estimated Number of Indigenous Adult Males	Natives in Employment		Females	Total
		Indigenous	Non-Indigenous		
May, 1921	210,000	47,374	92,302	628	140,304
May, 1926	223,000	78,233	93,737	1,628	173,598
May, 1931	249,000	76,184	102,908	1,066	180,158
May, 1936	268,000	107,581	144,901	1,815	254,297
May, 1941	291,000	131,404	168,106	3,769	303,279
May, 1946	333,000	160,932	202,412	13,524	376,868
May, 1951	386,000	488,123		41,755	529,878

This table is then uniquely suitable for examining whether or not the exchange economy exceeded the 50% limit of adult indigenous males in employment, which under conditions of "periodic under-employment" determines the turning point in the supply of labour. The figures from May, 1921 to May, 1946 show that the exchange economy kept within this 50% limit. Even though figures for May, 1951 for indigenous and non-indigenous males are given collectively, it is almost certain that the proportion of indigenous adult males exceeded this 50% limit. If we apply the ratio of four indigenous males to five non-indigenous males in employment, the number of indigenous males exceeds the 200,000 mark, which is more than 50% of indigenous adult males. The following figures which

¹ Table is presented from the Official Yearbook of Southern Rhodesia, No. 4, p. 197, after deletion of the "Estimated Total Native Population" column.

combine the males and females in employment confirm this contention:¹

Labour Supply

Year	1951	1956
Indigenous	271,302	300,178
Non-Indigenous	258,901	309,775
Total	530,203	609,953

The following table shows a steadily rising trend in aggregative wages:²

Average Aggregate Annual Earnings of African Employees (£)

Year	Earnings
1949	36
1954	64
1955	70
1956	75
1957	81
1958	88
1959	91
1960	94
1961	102
1962	109
1963	116
1964	121

Thus Barber can claim with the utmost confidence that his hypothesis explains why wages for Africans have risen in Rhodesia.

¹ Table from p. 13 of "Report of the Urban African Affairs Commission."

² Table compiled from figures in "Monthly Digest of Statistics, Jan. 1965 and the Official Yearbook of Southern Rhodesia, No. 4."

Before we make any comment on this, let us have a look at the arguments which Barber presents in support of his hypothesis.

F. Barber's Hypothesis and the rising trend in wages

According to Barber¹ "the evidence available before 1950 does not challenge the applicability to the Rhodesias of Sarah Gertrude Millin's observation of more than two decades earlier about South Africa: 'Nothing has changed so little as the black man's rate of pay.'² But since 1950 a real wage improvement for the African has occurred. This trend has been sustained in the post-Federation years." Before 1950, most European employers kept within the limit of quasi-full employment, i.e. they employed less than 50% of the adult indigenous Africans and, therefore, managed to retain the original level of real wages. "They were able to do so chiefly because very large numbers of African workers were drawn from adjacent territories... Throughout the 1930's and 1940's well over half the African labour force at work in the money economy was of extra-territorial origin... (But) between 1946 and 1956 the number employed increased to about 610,000."³ At the same time events in adjacent territories affected the supply of workers drawn from outside Southern Rhodesia. Northern Rhodesia, with its expanding economy was able to provide alternative employment opportunities in the country itself. The Government of Nyasaland began to scrutinise offers of employment to workers, thus slackening the outmigration from its territory. At the same time the numbers of migrant labourers from

¹ He gives an exposition of his view in Chapter VII of "A New Deal in Central Africa", ed. by Leys and Pratt.

² In Central Africa "real wages, apart from the Copperbelt showed a tendency to decline". W. J. Barber "The Dual Economy of Central Africa", p. 69.

³ Leys and Pratt, op. cit.; p. 61-62.

the Portuguese territories increased substantially, but these were still insufficient to satisfy the growing demand for labour, at the existing wage-rate. The result, therefore, was an increase in the wage-rate to induce the workers to seek employment beyond the "quasi-full employment" mark. "The census of 1956 reported that 50% of the males were over the age of 15. Indigenous able-bodied males (aged 15-45) were estimated to number 420,000, or 42% of the male population. Of these, approximately 64% were employed in the money economy in 1956".¹

On the face of it, the above explanation for the rise in the level of aggregative wages seems pretty convincing. It is only when we look at the sectoral wages that we realise that all is not well with this explanation.

G. The Disaggregative approach

Barber points out in a footnote that during the 1959 slump in business activity, a bill (the Foreign Migratory Act) to control immigrant labour was passed.² The intention of the Government was to redirect non-indigenous labour into those sectors where there was a "chronic" labour "shortage", i.e. agriculture and small mining, from where there was a "temporary" labour "surplus", i.e., urban areas. This means that once the "quasi-full employment" mark is reached, the wages in the chronic labour shortage sectors should begin to

¹ Tow, op. cit., p. 99-100.

² Leys and Pratt, op. cit., p. 75, footnote 2.

rise.¹ Though there are no separate figures available for capitalist agriculture only, the following table² gives us the Average Annual earnings of employees by Industrial sector:

Average Annual Earnings of African Employees by Industrial Sector (£)

Year	Agriculture and Forestry	Manufacturing	Mining
1954	48	65	83
1955	50	78	89
1956	52	81	97
1957	54	97	103
1958	57	108	106
1959	58	115	111
1960	59	125	115
1961	60	142	122
1962	61	164	124
1963	67	183	132
1964	67	198	144

Although no consumer price index for Africans was prepared

¹ The alternative possibility would be to reduce demand for labour. In fact employment in agriculture rose from 176,372 in 1950 to 201,355 in 1957 see Tow, op. cit., Table 4, p. 8, showing an increase in demand for labour. In mining though there is a declining trend in employment, real wages were rising even before 1950. See official Yearbook of Southern Rhodesia No. 4, p. 522-523. It is probable that with mechanisation small mining was able to conform to the same pattern as the aggregate figures suggest.

² Table from "Monthly Digest of Statistics", Feb. 1966, p. 9, Table II.

before 1962, and the present index considers only the expenditure pattern of Urban Africans it seems unlikely that any improvement in the real wages of African agricultural workers took place. This is despite the fact that Capitalist Agriculture is faced with chronic labour shortage and resorts to recruitment of workers on the largest scale.¹ It is not necessary to conclude from this that Barber's hypothesis which states that 50% of adult male labour force sets the limit to unlimited supplies of labour under "periodic underemployment" is not valid. In fact, the conclusion is that circumstances had changed in the Rhodesian traditional economy, with the consequence that more than 50 per cent of the adult indigenous males could be employed in the exchange economy without any increase in the wage-rate. The increasing number of indigenous women seeking employment in European farming confirms this belief that "general underemployment" was rife in at least some areas of "Native land". In fact, the Native Land Husbandry Act of 1951² (essentially a soil conservation measure) was the consequence of this population pressure on land - population pressure which had led to increased wearing away of the soil.

Let us look to alternative reasons to explain the real increase in wages which took place in mining and manufacturing (and urban areas). The weak bargaining position of the African workers in European agriculture makes us feel that there was the emergence of a counter-vailing power, either in the form of a government committed to improving

¹ "Agriculture by far the largest employer of recruited Natives was obtaining 11 per cent of its total labour in 1946 from this source." Official Yearbook of Southern Rhodesia, No. 4, p. 205.

² This will be discussed under a separate heading.

the real wages of the African workers or the emergence of African trade unionism in urban areas.¹ There are two factors which lead us to this belief. First is the beginning of organised strikes by Africans in urban areas and the second is the enacting of minimum wage legislation during the Todd Administration's era.

H. The Effectiveness of Countervailing Power in Rhodesia?

Before we proceed with this section, it is important to remember that the "superstructure" and "economic base"² were controlled

¹ J. van Velsen in an article in the Rhodesia Herald of 14th February, 1961, entitled "Reasons why Africans want to Keep One Foot in the Country and One in Town", says, "Only recently the Umtali farmers rejected a very modest minimum farm wage in the sure knowledge that they would not have to attract labour but that labour could be directed to them from the towns or from outside the country (e.g. through the operation of the Foreign Migratory Act)". This acknowledges the fact that the farmers did not notice any economic forces demanding an increase in the wage level and it confirms the point that the Africans, who were not even consulted, were in a weak bargaining position.

² By the control of the "economic base" we mean the control of the means of production and/or Industrial Conciliation Machinery. The concept is from O. Lange's "Political Economy", p. 26, who defines "Economic base" as the "production relations proper of a given social formation". Our definition is slightly different, because in contrast to Lange we are concerned with the control of rather than the interaction between the "economic base" and the "superstructure".

at this time by the nominally skilled white workers and by the white farmers. The growth of the manufacturing industry led to that sector acquiring some control in the "economic base" and some say in the "superstructure". The "Action Group" stationed in Bulawayo and consisting of business and professional men, interestingly, provided the necessary support for the election of Mr. Todd to leadership of the United Party and to the Premiership of Southern Rhodesia in 1953.¹

The interests of the manufacturing sector lie in getting more African skilled workers into the industry to break the monopolistic position of the European workers in this category. This sector will, therefore, press for the stabilisation of the African labour force.²

"The Chairman of the Rhodesian Selection Trust has stated that 'the old concept of rural inhabitants coming to the towns to work for shorter or longer periods and returning home for comparatively long intervals is a waste of manpower and an anachronism!'"³ The election of Mr. Todd to Premiership of Southern Rhodesia saw some successful attempts towards the urbanisation of the African labour force. "In 1955, the Government borrowed just over one-and-a-half million pounds from the Colonial Development Corporation and certain insurance mining companies for the specific purpose of building houses for Africans in Urban centres ... A construction programme for the erection of houses for families, mostly four-roomed cottages, at New Highfield, was put into operation and to-day a large number of these have been built and are occupied."⁴

¹ See C. Lays, op. cit., p. 154-157.

² See Ch. II, section 7 of this thesis.

³ Lays and Pratt, op. cit., p. 154.

⁴ Flewman report, op. cit., p. 59.

This was the first attempt to meet the needs of an urban African dweller as distinct from that of an urban African worker. A government publication in 1955 had (for the first time) recommended higher wage rates to stabilise African labour. "Higher wage rates, adequate to support the worker and his family living with him, would almost certainly be more than offset by increasing efficiency. The very grave loss of labour force due to unemployment by choice, probably equal to about one-third of the labour potential would be greatly reduced, to the considerable benefit of industry, commerce, the workers themselves and national welfare generally." In the footnote on the same page, the publication mentioned that "the average total period of employment per worker per annum is probably less than eight months and frequent changes in occupation are normal."¹ In the same year the government brought in minimum wage legislation for Urban areas. "The figure which applies to Salisbury and Bulawayo is £6 10. 0. per month for the first six months of service, £6 17. 7. for the second six months, £7. 5. 2. for the third six months and £7. 12. 9. for service beyond eighteen months." According to Dr. Bettison's estimates "this would mean that the commencing minimum wage would be about 6½ per cent above" the Poverty Datum Line (which is an estimate of the possible expenditure of healthy living for an African) "for a single male who did not have to provide his own accommodation and slightly above the P.D.L. for a single man who had to pay for his own accommodation. On the other hand, the P.D.L. for a married couple would be much below the minimum even for a labourer who had reached the top of the incremental scale for service."²

¹ "What the Native Land Husbandry Act means to the Rural African and to Southern Rhodesia", p. 14.

² Pleasman Report, op. cit., p. 74.

Therefore, even though the minimum wage legislation improved the condition of the African worker, it still did not enable him to bring his family for settlement to the urban area - thus the migrant nature of labour was not necessarily reduced by this legislation.

But Todd had plans to improve the educational and training facilities for the Africans,¹ too. Moreover, to give the African workers a greater say in the Industrial Conciliation machinery, he had proposed the formation of non-racial trade unions, but between his proposed measures and the final draft of the Bill there was a world of difference. Todd's measure would have given the African labourers an effective way of improving their economic position and thus of eventually becoming urban dwellers. Before we turn to the discussion of the Industrial Conciliation Act of 1959, let us see how effective the African trade unions had been in improving the wage-rates of the African workers.

The first evidence that there was any organised African labour movement in the country came in 1945, when the African Railway employees went on strike. Huggins, the then Prime Minister, noting the emergence of the African proletariat responded by passing legislation. To prevent and settle disputes in industry between employers and native employees, labour boards were set up under the Native Labour Boards Act, No. 26 of 1947. This was amended the following year by Act No. 52.² In 1948, barring the railwaymen, there was a general strike. Huggins

¹ This is brought out by Cyril Dunn, op. cit., p. 156-158. "Unhappily, before he could complete his plans Mr. Todd was taken by the scruff of his neck by the whites of Southern Rhodesia, and pitched out." p. 158.

² Information from "Official Yearbook of Southern Rhodesia", No. 4, p. 20p-20c.

set the precedent for settling disputes between African employees and their employers by a show of strength - he sent troops to the affected areas.¹

Under the Industrial Conciliation Acts prior to 1960, we know that African workers were not considered as "employees" and, therefore, could not legally bargain with their employers. Now, the "strike" weapon was made ineffective by the government's show of strength - this government intervention on behalf of the employers was made easier because of the large proportion of alien migrant workers in the total African labour force. These alien workers from fear that they may be barred from re-entering Rhodesia have not participated in the trade union organisations and the strikes organised by them.²

¹ The Wankie Colliery strike of 1955, was dealt with in the same manner by Todd and following a strike on 13th May, 1962, "The Confederation of Employers Association in collusion with the U.F.P. Government (decided) to dismiss all workers who went on strike." See Statement by the President of A.T.U.C., Mr. Mswaki, printed in the Rhodesia Herald of 16th May, 1962.

² "Between 1958-60 Southern Rhodesia has lost 122,000 man-working days through industrial disputes. Kenya had lost 1,247,000 man-working days and Tanganyika lost 2,200,000 man-working days." See Rhodesia Herald of 15th August, 1962, under an address by Mr. Abrahamson, the then Minister of Labour. It would be absurd to suggest that Southern Rhodesia had shown greater interest as compared to the East African territories in keeping the African workers contented. In fact, the only conclusion one can draw is the inability of the African trade unions in Southern Rhodesia to go on strike.

By the Industrial Conciliation Act of 1959, which became applicable from 1st January, 1960, Africans for the first time were to be considered as "employees" and were to be admitted to European unions, which were now expected to have non-racial constitutions. It might appear at first sight that the Act would improve the bargaining position of the Africans. In fact any organisational strength which the African unions might have acquired before this act was passed was gradually eroded away after this. The act ensured that the white workers would dominate the multi-racial unions, by manipulation of voting powers - skilled workers were to have more weight in the vote than unskilled workers. In an article headed "Skilled Workers will keep Power", the Rhodesia Herald of 6th October, 1959, printed a speech by Mr. S. M. Grant, the then Chief Industrial Officer of the Southern Rhodesia Department of Labour: "The power of the unions must be placed in the hands of the higher skilled workers and this will be insisted on by the Registrar.

"It will not be possible for a trade union, under the new Act, to confine membership to only one race or sex The new Act provides protection against unregistered trade unions by making them suffer all the restrictions of the new legislation without the benefits available to a registered union." The implication clearly is that if the Africans joined the registered union they, being nominally unskilled, will not have any say in its running;¹ and if they formed their own unions, they

¹ An absurd situation arose when nine Africans applied for membership of the R.R.M.U. in 1960. Even if they had been accepted they would still have been precluded from attending branch meetings in the Unity Club by the Liquor Laws - see Rhodesia Herald, 16th August, 1960.

will be discriminated against by the Government. Thus the former European unions, though now registered as non-racial unions remained solely the representatives of the non-Africans. Further, there were several European workers, who were unskilled by qualification but by status were regarded as skilled. "The Patterson Report of 1961 made it clear that white civil servants in the lower echelons were fiercely resisting change - a familiar enough phenomenon in Southern Africa, where the unskilled white worker, conscious that he has no intrinsic superiority over Africans, only the advantage of colour, is the bitterest opponent of African advance."¹

"The failure of the government is especially striking in the railways. In spite of an acute shortage of Europeans for the work reserved for them, the European union was allowed to frustrate all attempts to train Africans in their place. Peasants from countries like Italy and Greece have been recruited to come and be trained for these jobs. The cost to the Government of each immigrant has been estimated at £2,500."²

The legislation passed during 1959 and the 1960's further curbed the activities of the African trade union movements. Unlawful Organisations and Preventive Detention Acts were enacted in 1959 - "Five

¹ P. Heatley, op. cit., p. 351. In the civil service all Europeans are automatically taken into Grade I; and even when Africans were doing jobs previously held by Europeans "they were paid very low wages" and were still regarded as unskilled - see Mr. H. B. Bloomfield's Presidential Report to the Associated Mineworkers of Rhodesia summarised in Rhodesia Herald of 9th April, 1962.

² Lays and Pratt, op. cit., p. 105.

years imprisonment may be imposed for, among other things, making 'any sign indicative that (a person) is or was a member of or in any way associated with' any organisation which the government, on the wildest possible grounds, declared unlawful."¹ In 1962, the acts were amended and the Law and Order (maintenance) Act was passed, by which a person could be restricted without trial to a remote area. The acts were used not only to break the back-bone of the Political Nationalist Organisations, but also of the African trade union movement. Messrs. Maluleke and Obumbabaya, the General Secretary and the Organising Secretary respectively of the African Trade Union Congress were arrested on 12th August, 1962. Later in the same month the Police raided the headquarters of the A.T.U.C. Mr. Dube said towards the end of December, 1964, that as a result of restrictions and imprisonment for political offences of the other trade union leaders, he was the only A.T.U.C. official left to lead the Congress. In January, 1965, the Zimbabwe African Congress of Unions was banned.²

It is clear from the above that in the initial years of the Federation, there was some attempt by the State government to improve the wage rates and economic conditions in general of the African workers, but before anything tangible could be accomplished, there was a backwash from the European workers. The ultimate result was the annihilation of any organisation actively interested in increasing wage rates for the

¹ Leys and Pratt, op. cit., p. 129.

² The above information about arrests and banning of the trade unions is obtained from the file on "Trade Unions" in the Rhodesia Herald Library.

Africans. This means that the increase in wage rates can at the most be explained partially as the consequence of the temporary emergence of a countervailing power for the Africans. Moreover, though the minimum wage legislation pushed up the aggregate average wage earnings, "factory workers earned in excess of the new minimum, and thus rationalisation of African labour in industry has been minimal."¹ This means that very often wage increases had preceded and not followed minimum wage legislation. Further minimum wage legislation is a once for all increase and cannot explain the rising trend in wages.

I. The Economic reasons

Thus having failed to explain the increase in wages solely by institutional factors, we turn once more to the economic factors. Tow gives an explanation: "In spite of personal prejudices, strong economic pressures are forcing the advancement of the Africans. Probably the most important factor contributing to the acceleration of African advancement in industry is the real scarcity of European labour. The considerable difficulty, delay and expense incurred in acquiring sufficient (italics mine D.G.) skilled European labour has made manufacturers increasingly inclined to take advantage of the large differential existing between the cost of European and African labour ... The consensus of employers using Africans in jobs formerly performed by Europeans is that with adequate training their productivity does not average appreciably lower, while their wages are a fraction of the

¹ Tow, *op. cit.*, p. 105.

Europeans".¹

Thus the increase of African wages in urban areas can be explained in terms of the growth of the secondary industry demanding an increasing number of skilled workers. The scarcity in the supply of European workers and the high cost of importing them led to an increasing number of African workers being employed by industry. To convert the backward migrant African workers into skilled permanent workers a higher wage had to be paid. Once the Africans had acquired skills, scarcity and competition for them between the industrialists demanded that their wages should rise. Against this, of course, was government legislation, European trade union pressure and the deep-seated bias of the employers² - the reason, why still greater numbers of Africans were

¹ Tow gives additional reasons for the backwardness of the African workers. He blames bad management, which underestimates the output potential of the African staff and thus does not utilise African labour rationally, and paternalism in industry, which inhibits the development of an African's self-confidence and potential ability, thus keeping productivity low. Tow, op. cit. pages 105-110.

² "Rhodesian industrialists typically deny the existence of cheap African labour. While it is conceded that the cost per man-hour of African labour is low, it is argued that productivity is even lower, and that labour cost per unit of output produced by Africans is actually higher than in countries where wage scales are considerably higher. Industrialists, however, are hard pressed to furnish proof of this." Tow, op. cit., p. 105.

not employed in secondary and related industries can be attributed to this.

Very often, the shortage of skilled labour led to the Rhodesian Industries using more capital-intensive techniques than they would have otherwise done. "Between 1954 and 1960 the numbers employed in manufacturing rose from 127,000 to 144,000, an annual increase of only 2%. During the same period, the net output of manufacturing industry rose from £25.7 to £51.9 million, an annual increase of over 12% ..."¹ The disparity between the rate of employment and the rate of growth of manufacturing industry is due to the increase in productivity. Of course, the increase in productivity has not been solely due to an increase in the capital-intensity of production techniques; it has also been due to an autonomous growth in the productivity of African workers - autonomous to the technique of production employed and springing from increased urbanisation and familiarity with the modern production techniques.²

¹ W. L. Taylor "Problems of Economic Development of the Federation of Rhodesia and Nyasaland" in "Economic Development South of the Sahara" ed. by E. A. G. Robinson, p. 224.

² The income distributional aspects of increases in output in the manufacturing sector resulting from increased capital-intensity and autonomous increases in labour productivity seem to have favoured both the capitalists and African workers against the European workers. In the agricultural sector all benefits of changes in production techniques seem to have gone to the capitalists. For profit figures, 1954-1964, see National Accounts and Balance of Payments of Rhodesia, 1954-1964, Table 19.

Thus we can say that " ... an increase in wage rates does not always mean an increase in labour costs. If an increase in wage rates leads to or is accompanied by an improvement in the efficiency of labour there may be no increase in the cost of labour employment."¹ This would be the case where at very low level of wages an increase in the wage-rate makes possible the stabilisation of the labour force, i.e. where a migrant worker can be turned into a permanent worker, thus raising his total output from the time saved (which previously had been wasted through migration) with the consequent improvement in productivity resulting from urbanisation and familiarity with the modern production techniques. This means that the increase in wage-rate, could paradoxically increase the economic surplus.

There is of course a difference between a "permanent worker" and "permanent dweller". Even with higher wages (within limits), the African worker may not become a permanent dweller. This is because his "welfare rights" during old age depend upon his carrying out his social obligations to his kith and kin in the rural areas. The social obligations are tied to his joint ownership of the land with the rest of the community. Thus, unless the worker has the security of a house and old-age pension in the urban area, he will not give up his title to the land, which depends upon a member of his family occupying it - and this is very often his wife.² The weakness and failure of the Native Land Husbandry

¹ Flewman Report, op. cit., p. 61.

² J. Van Velsen brings this point out very clearly in his article in the Rhodesia Herald of 14/2/61, op. cit. He also makes a distinction between a "permanent worker" and "permanent dweller" in a paper "Some Methodological Problems of the Study of Labour Migration", presented at Centre of African Studies.

Act of 1951 is due to the lack of recognition of this vital point.

J. The Native Land Husbandry Act of 1951

The act appeared to be a land reform on a national scale. The intention was to stabilise the population in the rural area by making the rural income sufficiently attractive for the African labourer, so that he will not be induced to migrate to the urban areas. The growth in population was to be urbanised.¹

The main objects of the act were sound:

- "(1) to provide for a reasonable standard of good husbandry and for the protection of natural resources by all Africans using the land; the Act contains powers to enforce these provisions;
- "(2) to limit the number of stock in any area to its carrying capacity and, so far as is practicable, to relate stock holding to arable land holding as a means of improving farming practice;
- "(3) to allocate individual rights in the arable land and in the communal grazings as far as possible in terms of economic units; and where this is not possible, due to over-population, to prevent further fragmentation and to provide for the aggregation of fragmentary holdings into economic units.

¹ "As the African population grows, the policy of the Native Land Husbandry Act aims, in effect, to urbanise it." C. Leys, op. cit. p. 291. We have seen that European workers successfully frustrated this policy during the last decade.

"(4) to provide individual security of tenure of arable land and individual security of grazing rights in the communal grazings:"¹

The first three objectives are mutually interdependent, i.e. their ultimate success depends upon the growth of the traditional sector. The fourth is a change in ownership from communal ownership to individual ownership, and is expected to provide the linchpin for the success of the rest.

Right from the start there were several problems faced in the implementation of the act:" ... shortage of staff is a most serious drawback to the implementation of the first part of the Act", and "one of the gravest drawbacks to improved practice in Native farming is the almost utter lack of working capital with which it is conducted."² Thus the provision of credit and extension facilities was essential for the success of the Act. This means sufficient funds were needed. The government allocated about £4 million over a five year period for the implementation of the act. Most of these were spent in surveying and demarcating the land between grazing and arable land and little was left for credit and extension purposes.

In fact the Act was based on the hypothesis that a change in ownership of the land from communal to individual basis will change the pattern of cultivation and increase output. Some figures were projected by the planners - "125% increase in average gross output per farmer and a 210% increase in net cash income within ten years of the implementation

¹ "What the Native Land Husbandry Act means to the Rural African and to Southern Rhodesia", Government publication, p. 4.

² Government publication, 1955, op. cit., p. 4 and 6.

of the Act". But as Yudelman points out "there is some experience in Southern Rhodesia to contradict the view that private ownership per se encourages greater investment (and output) changes in rights to land have to be accompanied by the provision of complementary factors of production, such as credit facilities and the incentives to use them."¹

Moreover, though cultivation rights are on individual though co-operative basis, grazing rights remain communal.²

Under the act each family was to be given a certain "Economic unit" of land for cultivation - not less than 6 acres of land in dry areas; in the case of farming irrigable land, the area could be much smaller. There was a delay in the implementation of the act,³ and in 1960, under the existing Land Apportionment it was found that only 70% of the families could receive full-sized holdings; moreover cultivators

¹ Op. cit., p. 128 and p. 112.

² "When the grazing rights are allocated they do not give a person rights to graze an individual plot but rights to graze a specified number of cattle on the communal grazing area." Garbett, op. cit., p. 191.

³ "Insufficient water supplies have made it difficult to complete land classification in the Reserves and Special Native Areas and 60% of the area (19 million acres) remains to be done. Dams, deep wells and boreholes are required for the full settlement and development of these arid areas and this is a major operation in any plan for the accelerated implementation of the act." Government publication, 1955, op. cit., p. 32.

were unevenly distributed between reserves, with the result that in some areas families were unable to get sufficient land for cultivation.

The shortage in native land meant that the Act could not be fully implemented. Then by the Land Apportionment (Amendment) Act of 1961 some five-and-a-half million acres of European land was placed under the "Unreserved Category".¹ The Government bought some of this land and gave it to the African "squatters".² There was a backwash, this time from European farmers. The reactionary government put a stop to the transfer of land to the "Unreserved Category". The African "squatters" under the new established policy were to sign "labour agreements" with the European farmers, by which in exchange for their labour, the Africans could squat on European land. In 1963, the government sent 500 families to the Hippo Valley to live there on a labour agreement basis.³

At present the Act exists as a sort of soil conservation scheme in the guise of land reform. Even here there are difficulties. Exclusive soil conservation can only succeed by continuous checks on the

¹ "An Amendment to the Land Apportionment Act in 1961, permitted the transfer of 676,000 acres to the "Unreserved Category" together with 5 million acres of Crown Land." Article 'Brake on Land Transfers to Unreserved Category', Rhodesia Herald, 23/5/63.

² See Rhodesia Herald of 2/6/62, article entitled "500,000 Acres bought by Government for African Farmers: More than 1,000 will get land in Enkeldoorn Area".

³ Information from the Rhodesia Herald Library.

number of cattle and with the prevention of further fragmentation of the land - the social practices and relationships in the traditional economy make this extremely difficult to implement. In the customary payment of "Lobola" (bride price) cattle form an important part. This naturally leads to overstocking of cattle on the land.¹ The obligations of kinship, such as for example the duty of a man to support his deceased brother's wife and children, or a divorced sister or daughter make fragmentation of land inevitable. Whereas by law, one man owns a piece of land, in practice several families may be living on it, each working a small plot. Though legally one man has a right to inherit land from his father, in reality the 'disinherited' sons continue living on the land as though there never has been a will. This implies fragmentation and more intensive cultivation of the land and thus greater wearing away of the soil.² If kinsmen are allowed to occupy a plot of land originally intended to provide subsistence, with a small cash surplus, for a man, his wife and children, the cash surplus

¹ "In 1956, the Natural Resources Board reported 'the three biggest problems are (a) overstocking, (b) overpopulation, (c) lack of nitrogenous fertiliser' and went on to express grave concern 'that certain areas which had been destocked with considerable difficulty and unpleasantness five or six years ago are now once again 100 per cent overstocked!' Garbett, op. cit., p. 194.

² See Garbett, op. cit. p. 196-197. This approach ignores the fact that opportunities after 1956 for employment had not expanded in the exchange economy and, therefore, the Africans of necessity had to fall back on the land for subsistence. On this see the next section.

will most likely be reduced or will disappear completely.

Thus given the scarcity of land in the native areas, the traditional system of cultivation, the migrant nature of labour (whereby the traditional right to land is never given up) and the scant resources devoted to the development of the native land by the government, the possibility of the surplus accruing to the traditional farmer becomes more and more remote with time. In fact, it is more likely that the share of income accruing to an individual African will continue to decline with time.¹

The past decade points to this trend.

K. The last decade and the future

If the Native Land Husbandry Act had been effectively applied, then the supply of unskilled labour would have depended upon the rate of growth of population. As things stand now neither the Land Husbandry Act nor the urbanisation of the growing 'native' population has been (and can be) effectively carried out. In fact, when we compare the African employment figures for 1956 and 1964, we find that there has been no change in the aggregate level of employment. The level of African employment was the highest in 1960, when it stood at 640,000; since then it has dropped down to the 1956 level.² Some of this drop has

¹ There are always exceptions to any generalisation. There are some "Master farmers", "Plot holders" and "Co-operators" among the African farmers, who will continue to earn a surplus - see Yudelman, op.cit., p.141.

² In 1956, total African employment was 620,000 and in 1964 it was 621,000. For 1963 the figures are 608,000 which means that there was a recovery in 1963, but the sectoral figures show that all the increase took place in the Agriculture and Forestry sector, which means that there was no increase in urban employment. See "Monthly Digest of Statistics", Feb. 1964, Tables, under "Agriculture and Forestry".

been absorbed by the outmigration of non-indigenous African employees.¹

Meanwhile, it has been estimated that the African population was increasing at the rate of 3% between 1954-62, since then the estimated rate is 3%.² Most of this growth appears to be autonomously determined, i.e. by the improvement in medical and health facilities. Thus whatever doubt anyone may have about the validity of the statement that "general underemployment" has existed since the early 1950's, there can be no doubt about "general underemployment" being a feature of the economy to-day. We have already pointed out that it was estimated in 1960 that about 30% of the families will not be able to get land under the Native Land Husbandry Act, given the present land apportionment. The fact about "general underemployment" becomes all the more convincing when it is realised that the population estimates had been underestimated by about 20% prior to 1962. In 1963, the Minister of Labour made a statement to the effect that 8% of the African males in Urban areas were unemployed.³ Given the social obligations under the

¹ See Table 3, page 7 of the Monthly Digest.

² See explanatory note on Table 1(b) page 73 of the Monthly Digest.

³ Rhodesia Herald 20/6/63. Whether this unemployment is the consequence of land pressure or land reform it is hard to say. There is the view of A. N. Raj "Employment Aspects of Planning in Underdeveloped countries" that land reform and enclosures by landlords lead to unemployment (as opposed to underemployment) and population pressure by itself does not result in this. It is quite likely that the Land Husbandry Act converted some underemployment into unemployment.

kinship system, underemployment in the rural areas and unemployment in the urban areas will have the same effect - it will tend to impoverish the Africans generally and thus weaken still further their already weak bargaining position.

"Below the 'poverty datum line'" (mentioned earlier) "Dr. Bettison drew another line, thirty-five per cent lower down the graph. This he called the 'extremely impoverished' line, and he found that 57.1 per cent of the African families were living below this."¹ This was in 1956. To-day, the number of dependents in urban areas has increased - this, ceteris paribus means that more families are living under the 'extremely impoverished line'. In fact, the trend is of an increasing proportion of dependents to male workers.² Incidentally, there is one point in favour of this and that is the possible reduction in the birth rate and thus eventually in the rate of growth of population. "There was a slight reduction in the birth rate from 46.2 to 44.8 per 1,000 persons between 1948 and 1953-55 and it is probable that further urbanisation, a rise in the standard of living and improved educational services will reduce this rate still further" says Kyburgh.³ He was rather optimistic - over the last years the decline in the birth rate has not been noticeable. This probably is due to the declining standard of

¹ P. Keatley, op. cit., p. 358.

² On this see "The Development of the Economic Resources of Southern Rhodesia with particular reference to the role of African agriculture: Report of the Advisory Committee", 1962, Appendix 8(B) to Chapter 27, by C. A. L. Kyburgh, p. 464.

³ Kyburgh, op. cit., p. 456.

living in urban areas, due to the increasing proportion of dependents to wage-earners.¹ In the last section we pointed out the increasing poverty due to the fragmentation of the land, resulting from social obligations to kith and kin.

Thus the weak bargaining position of the African, the unlimited supplies of unskilled labour and the increasing population at a high rate mean that there are little prospects of a turning point in the supply of labour and thus in the wage rate for unskilled labour through continued absorption by the exchange sector.²

¹ A decline in the standard of living means greater dependence for "welfare security" reasons on kith and kin. The demand for children who provide the security in old age naturally increases and prevents any further decline in the birth rate. Regarding this, on page 168 of his book, Leibenstein makes a very important observation "Sustained development may depend on the onset of fertility decline, but sustained fertility decline depends in turn on sustained development. Therefore, in the usual case either both occur or neither does.", op. cit.

² For 1962 Dr. Lyburn, op. cit., p. 462, estimated an annual increase in the working force of 18,000. He assumed self-employment in the urban and rural areas of 3,000; he assumed that Agriculture and mining together will employ very few and therefore Manufacturing and other sectors will have to employ between 12,000 and 15,000 men. It was estimated that an annual rate of employment of 5% was necessary to absorb all the labour force; during the fastest period of their growth these sectors employed additional labour at the rate of 5.8% per annum.

Regarding the supply of skilled labour, it can be said that the scarcity in supply continues to be the dominating feature of the economy. The economic structure has been built up in such a way that not only is the supply of skilled labour dependent upon the supply of European labour, but so is effective internal demand. In fact, there is clearly a link, between the levelling off of European population after 1960, around the 220,000 mark¹ and the levelling off in economic activity. Those industries, e.g. tobacco production whose output has been geared to export-production have not been affected by this.

The scarcity in the supply of skilled labour has led the manufacturing and mining concerns to turn to more and more capital-intensive techniques - capital deepening seems to have gained in significance over capital widening during the last decade or so. This partially explains the declining trend in African employment in these sectors over the last four or five years² - the other factor (besides the levelling off in internal demand) is the increasing efficiency of African workers.

Any prediction about the future trend has to be based upon who controls the "superstructure" and "economic base". If the control stays in the present hands then the course of economic development will be similar to that of South Africa. Economic growth will depend on the net inflow of white immigrants. The rural African will not become better off; he may become worse off. The condition of the urban African will depend upon the rate of growth of the economy, this will in turn depend

¹ See Table I, Monthly Digest of Statistics, Feb. 1966, p. 1.

² Monthly Digest of Statistics, Table 9, page 8.

upon how the rate of net white migration influences effective demand. In such a situation whatever has ended, the sharply dualistic character of the economy will remain - the traditional sector will continue to provide unlimited supplies of unskilled labour; in turn the white workers will nominally provide all the skilled labour; at the same time the modern exchange sector will continue to grow without any visible inroads being made into the traditional sector.

A change in the control of the "superstructure" and "economic base" from present hands to African hands will naturally mean the removal of all the institutional factors, which have kept the African worker and the peasant backward. The rest depends upon the policy-makers, i.e. on how effectively they are able to utilise the economic surplus to build up effective internal demand, especially in the backward traditional sector.

Chapter IV

Conclusion

In the early stages of contact between the exchange economy and the traditional economy, it appears that there was a shortage of labour at the then given wage-rate; apart from the unfamiliarity of the exchange sector, the higher effort-price required in the exchange economy vis-a-vis the traditional sector made the concentration of effort in the traditional sector, by the indigenous group inevitable. The capitalists through the imposition of hut-tax and recruitment of labour increased the supply of labour. During the 1920's, it is found that there was an intensified effort in both the traditional and modern sectors by the African male, indicating a large degree of "labour creation". The diminishing returns to effort faced in the traditional sector, under the traditional (chitemene) system of cultivation, led to the maximisation of income on the basis of Barber's hypothesis, by which the male worker sought continuous employment in the exchange sector for a period of a year or so and returned to the kraal to fulfil his social obligations and to carry out his duties, implicit by the traditional division of labour, in shifting cultivation from one area to another.

The government reduced alternative opportunities to wage employment, i.e. in the traditional sector by the institution of the Land Apportionment Act, under which the area for African cultivation was restricted; and in its price policy, in the supply of infrastructure and quality of land, the government discriminated against the African peasant and in favour of the European farmer. This, together with the imports of unskilled labour from neighbouring territories kept down the wage-rate(s) paid to African workers.

The evidence suggests that it was not until the 1950's that aggregate wages for Africans began to rise. The Simple Barber Hypothesis suffers from the weakness of failing to distinguish between skilled and unskilled labour. The rapid growth of the economy since the Second World War (and especially after 1945), due to exogenous factors resulted in a demand for skilled labour which the economy was unable to fulfil even under a heavy immigration policy of European skills into the country. The modified Barber hypothesis then explains the increase in the wage-rate in urban and mining areas, as the result of an effort to recruit Africans as Stabilised skilled workers. The continuing trend of rising African urban wages, especially in manufacturing, is due to the competition for these limited number of skilled workers. This argument is supplemented by that regarding the emergence of a temporary "countervailing power" in the form of government, which legislated a minimum wage-rate in excess of that prevailing in some sectors of urban areas. The impact of African trade-unionism on wages cannot be definitely ascertained, but the discussion brings out the weak nature of this other "countervailing power".

There is substantial evidence to the effect that unlimited supplies of unskilled labour, with the exception of the very early period, have prevailed throughout the history of Rhodesia. This was initially due to the imports of labour from neighbouring territories and the existence of "periodic underemployment" in the economy and later due to the emergence of "general underemployment".

Though, it is difficult to say how strong is the influence independently of induced and autonomous factors on population growth, it appears that, to-day, the autonomous determinant is more important

than the indigenous African rate of population growth seems to have risen independently of the level of consumption during the last decade.

The shortage of skilled labour has resulted apparently in an increased capital-intensity in the choice of technology on the part of the capitalists. During the last decade there has been increased "capital-deepening" and little "capital-widening". Though the agricultural capitalists and manufacturing capitalists and workers have benefited from this in the form of increased returns and wages, it has inevitably meant an aggravation of the "unemployment" problem presented by the emergence of "general underemployment" and a rapidly rising population. Further the institution of the Native Land Husbandry Act, together with little expansion of employment opportunities since 1956 has resulted in unemployment-cum-underemployment situation in the economy.

The virtual stagnation in European population since 1959/1960, together with that of the economy, indicate the line the pattern of development has taken. This pattern (and level) of development is dependent on effective (internal) aggregate demand provided essentially by Europeans and appears to be the result of the control of the "superstructure" exercised by the white population, of which the dominant groups have been the white farmers and white workers.

The interests of those controlling the "superstructure" have been (with a temporary deviation) and are to keep the indigenous (traditional) people backward. Therefore, the growth of the modern exchange sector has made no visible inroads into the traditional sector. As a generalization it can be said that a modern exchange economy, with its different sectors (mining, agricultural, manufacturing and

distributive sectors) highly developed, and practically self-sufficient, i.e. dependent only for unskilled labour on the traditional economy, has been superimposed on an underdeveloped traditional economy. In emphasising the above factor, I have not ignored the rigid institutional and organisational factors implicit in peasant and traditional agriculture, which keep that sector underdeveloped.

For the relative backwardness of African employees in industry, the industrial management are as much to blame as the lack of any countervailing power on behalf of the Africans. This, of course, does not discount the influence of traditional structural factors, which are a cause of the backwardness of the indigenous people.

Lastly, a point which should have been made earlier: except for the early decades, about which little can be said with certainty, there appears to be no evidence of the familiar textbook backward-sloping labour supply curve. In fact, everything points to an increasing effort on the part of Africans in the face of increasing needs and diminishing opportunities to fulfil them. This is clearly brought out by an example in Sister Mary Aquina's recent article, entitled "The Social Background of Agriculture in Chilimanzi Reserve".¹ She gives an example about Tom and his family and concludes it with: "Full use has, therefore, been made by this group of all the potential resources of the family, and a maximum profit has been assured. I know of no alternative which could have yielded a higher profit".

¹ Rhodes-Bivinstone Journal, No. 36, December, 1964.

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