

REVERSING RURAL POVERTY IN AN AFRICAN COUNTRY: A REVIEW OF
THE KENYAN POLICY REGIME

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INTRODUCTION

The development project in Africa has so far produced contradictory results. On one hand, the project has shown positive results for the majority of the population during the early post-colonial period, stagnation during the 1980s, and decline since the late 1980s. On the other hand, the development project has produced continuous positive results for a small proportion of the population. The wide inequality that has arisen from the development pattern has rendered unsatisfactory the overall development undertaking in Africa. This paper will explain the adverse development conditions in Africa from the standpoint of the Kenyan policy regime that was initiated upon independence in 1963 and continuously reviewed in the subsequent decades. The argument of the paper is that the policy regime that is marked especially by the Sessional paper no 10 of 1965, the Sessional paper no 1 of 1986 and the present Economic Recovery Strategy Paper has focused on macro-level adjustments and failed to link the development promise to the poor through re-organization of production and distribution. Specifically, that development is a function of capitalist production and past failure to realize development in Kenya can be attributed to the failure to organize production on a capitalist basis. The capitalist model involves large scale, market-oriented production that aims at accumulation of surplus that in turn facilitates continued expansion of investment. The anti-capitalism discourse in and on Africa especially during the first three decades of independence was based on the assumption that capitalism is necessarily exploitative of labor and is therefore undesirable. The discourse thus adjudged capitalism based on the production side of the process whereas the problem lies on the distributive side. In other words, capitalism leads to accumulation of surplus (wealth) and equitable distribution of surplus facilitates socioeconomic transformation in socioeconomic welfare and in physical infrastructure. Continued production within the subsistence, peasant model forestalls accumulation, deprives society of a basis for social transformation (development) and ensures the reproduction of the status quo of poverty and deprivation. The path to development in Kenya is now predicated upon drastic policy shift in favor of the capitalist organization of production. The paper concludes with an argued claim that wealth creation in rural Africa and the eradication of poverty are a function of organization of the productive forces, including equitable distribution of the proceeds.

MEANING OF DEVELOPMENT

Scholarly presentations about development conventionally begin with claims that the conceptual meaning and definition of the term development is not conclusive ostensibly because perspectives vary widely.¹ The claims are, however, a case of academic fetish to find

¹ Rist G., *The History of Development*

problems, to problematize social phenomena. Claims that the definition of development is a difficult task is too cautious and too open-ended to be of any use to both students and practitioners of development. The meaning of development from the standpoint of a Third World country, say an African country, can only be contested among ideologues and polemical academicians to the surprise and bewilderment of a poverty-afflicted child, let alone his or her adult parent or guardian. From the standpoint of the ordinary population and scholars who live and work among the rural folk in Africa, for example, there should not be, at least for the time being, an argument about the appropriate meaning of development. The definition of development is neither an elusive nor a problematic undertaking. Development is the progressive increase in the capacity of a community to satisfy the essential needs for the livelihood of its members. Identification of exactly what the needs are is also not an elusive task. The needs arguably fall in three categories: Needs to sustain life (food and nourishment, water and healthcare); needs to maintain human dignity and comfort (shelter, sanitation, and clothing); needs to reduce social and physical hardship (transportation, energy, education, information and entertainment); and needs to meet needs (employment and income).

The definition suggests that development has been part of human society since antiquity rather than a new phenomenon that did not exist in 'traditional' societies; a view that modernization theory holds. However, the satisfaction of the stated needs is not the end of development because needs are generated continuously; that is, the satisfaction of one need generates new needs that require satisfaction and so development is a continuous process or activity. Differences about development occur only at the secondary, at the level of form rather than substance and can be attributed to cultural differences among communities and societies. The differences at this level concern, for example, types of food, shelter, education, and employment not whether or not these factors are necessary.

The second aspect of development with capacity to elicit controversy and debate concerns strategic options; the means and approach for enhancement of the capacity to satisfy community needs. Three policy approaches have been attempted in different African countries since independence: socialist policies such as the *Ujamaa* approach in Tanzania, state capitalist policies in Angola, Mozambique and Ethiopia under Mengistu; Keynesian state policies such as in Kenya, South Africa, and Nigeria; and the free market approach entailed in neo-liberalism. The state-regulated variant of liberal policies (Keynesianism) was the most widely applied strategy in Africa until the rise of neo-liberal policy approach one-and-a half decades ago. Neo-liberalism has become the most dominant development policy orientation. The underlying concern in the different approaches to development is or has to be capitalism; that is, concern for the appropriate framework for capitalist accumulation, rather than an alternative for capitalism.

MODERNIZATION PARADIGM RECONSIDERED

The modernization argument was that the newly independent countries lagged behind in development because they were 'traditional' whereas the developed countries in the West had modernized. W.W. Rostow's *Stages of Economic Growth* (1960) pioneered studies in this category.² Africa was therefore still at the original stage in the development trajectory. The remedy for the conditions in the new states was from the standpoint of this category of studies to modernize. Modernization became synonymous with development and hinged mostly on industrialization. The most distinguishing feature of 'modernity' was capitalist industrial production, based initially on the classical *laissez faire* model and later (post-war period) on Keynesian model. Modernization theory therefor treated industrialization to be coterminous with development and thus called upon non-Western societies to move away from the agrarian economy. Although industrialization can be achieved through different methods, the West had realized it through free market, though this view is often contested.

Modernization suffered criticism from post-colonial development discourse ostensibly because the paradigm was 'eurocentric': the paradigm argued about Africa's development from the standpoint of Western experience and social values. Secondly, modernization 'privileged industrialization' in that development could not occur through other forms of production such as agriculture. Thirdly, modernization portrayed development as a 'unilinear' process by writing off other possible paths to development other than the tradition-modernity trajectory. Fourthly, modernization was a historical, for in assuming that African development would follow in the footsteps of Western experience; the paradigm ignored the difference in the historical experience of the two worlds that had implications for the development trajectory. The historical experience in point is colonization. Fifthly, the modernization paradigm erroneously presumed that development in the traditional stage is static; that is, change that could mean development did not occur throughout the traditional epoch. Sixthly, modernization theory failed to show the means by which traditional societies could modernize. Finally, modernization theory was criticized for its presumption that tradition and modernity are mutually exclusive whereas in reality, elements of both tradition and modernity are present on either side of the divide.³ This paper will argue that while modernization theory, like all others, contain significant errors the wholesale rejection of the paradigm is an overreaction, at least in the light of what has come to be referred to as globalization. Can African countries realize development in the face of the Second Coming of Western capitalism to the continent other than by a similarly capitalist counteraction?

² Rostow W., *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge University Press: Cambridge, 1960)

³ Jonathan Crush., 'Histories of Development', in Crush J. ed., *Power of Development... op cit*

The discourse on development in Africa had by the mid-1960s dismissed modernization and embraced Dependency Theory and the Underdevelopment Theory. DT&UDT credited ostensibly because it originated in and was based on the experience of developing countries: DT began in Latin America though the chief exponents like Andre Gunder Frank were Europeans while UDT was applied to Africa mainly through Walter Rodney's *How Europe Underdeveloped Africa*. UD argued that non-western societies are incapable of development due to distortions that colonialism had caused in the socioeconomic and even political structure of society. In particular, African countries were incorporated in the global capitalist economy to the status of the underdog, the satellite, the periphery with a role to support the development of the capitalist core, the center, the metro-pole. The economy of third world countries was therefore an appendage of western industrialized economies and the former countries were unable to realize autonomous development. Instead, the center and the periphery existed in a dependency relationship demonstrated through technology, foreign aid, and international trade. According to the theory, the causal variables in Africa's development lie outside the continent.

DT and UDT both suffered criticism especially in the light of the rise of the semi-periphery status countries that burst the barriers of underdevelopment. The change witnessed the rise of the World Systems Theory that attempted to incorporate the 'semi-periphery' in the dependency equation and thereby undermined classical DT. Furthermore, DT overemphasized the significance of international trade, and its remedy for underdevelopment failed - the import substitution industrialization (ISI). Finally, the Modes of Production theory came in to attribute the development problem in the Third World to the production process rather than to distribution; the mode of production. Third world countries appeared to operate numerous modes of production simultaneously: lineage, transitional peasant and petty commodity modes of production. According to the paradigm, "Underdevelopment is...not a product of trade relations but a result of the preservation of the non-capitalist mode of production."⁴ This viewpoint appears to signify a return to modernization theory. African countries have not realized development because of the failure to adopt the capitalist mode of production and accumulate wealth. The capitalist organization of the production process is essential for development.

The early discourse on development in Africa especially during the 1960s and 1970s was couched in the framework of DT and UDT and harshly opposed modernization theory. Indeed, the period marked the highpoint of the euphoria for socialism that was at that time narrowly conceived as an anti-capitalist undertaking. The rejection of modernization was therefore partly a result of the hostile historical moment at which it emerged, a moment of nationalist, anti-west, anti-colonialism, anti-imperialism, anti-bourgeoisie, anti-accumulation, and, what is

more, anti-profit. The rejection was for the most part an ideological protest against what were believed to be essentially western institutions and systems that modernization sought to import to Africa. Under these circumstances the noble message in modernization - capitalist organization of production - was discarded. The subsistence mode of production that predominated, especially the countryside could not therefore allow for surplus accumulation and wealth creation. While the state attempted to spearhead capitalist development through state-owned enterprises and support for private entrepreneurs, both state and private firms failed to perform according to the capitalist game plan, not necessarily cutthroat exploitation. The rest of this paper will show the different ways in which capitalist production failed to occur, resulting in stagnated development, especially once Western capital had moved into Africa.

RE-COLONIAL SUBSISTENCE PRODUCTION AND DELAYED DEVELOPMENT

The advent of colonialism occurred at a time that Africa had reached a level of development that was arguably lower than existed in the Western countries. Can we attribute Africa's lag in development to delayed rise of indigenous capitalism relative to the West? This section of the paper will demonstrate that while Europe adopted capitalist production from about the seventeenth century onward, Africa hanged onto the subsistence mode of production, except for pockets of feudalism that sprang up in places like Ethiopia. In fact, capitalism is not indigenous to Africa, but arrived in Africa as an extension of Western capitalism, occurring through slave trade from the seventeenth century, imperialism and colonialism towards the end of the nineteenth century, and neo-imperialism including globalization in the second half of the twentieth century.

African societies had before the advent of colonialism a unique political and social organization that has been a popular subject of discussion - indeed controversy - since Meyer Fortes and Evans-Pritchard published *African Political Systems* back in 1940.⁵ The seminal work categorized pre-colonial African political systems into centralized and decentralized systems and asserted that the decentralized variant that societies in what is present-day Kenya reflect was largely both democratic and egalitarian. The assertion subsequently created a major rift among scholars who work pre-colonial African politics. Some concur with Fortes and Pritchard while others disagree or concur only with a major qualification. Pre-colonial Kenyan societies belonged to the decentralized category except only for the small Wanga Kingdom in western

⁴ Schuurman p.7

⁵ Fortes M. & Evans-Pritchard E.E. (1940). 'Introduction.' In Fortes M. & Evans-Pritchard E.E. (eds). *African Political Systems*. London: Oxford University Press

Kenya and all contained many features of democracy.⁶ The political organization of most of the societies was nested upon small lineages, clans or sub-clans such as the Kikuyu *mbari* and the Kamba *uti*. The persistence of small political units within which pre-colonial African societies were organized was a disincentive for the rise of capitalism. In Western Europe, the rise of capitalist production occurred simultaneously with the rise of the nation state. The organization of government in pre-colonial Kenya societies based on consensus rather than representative or delegated government forestalled the possibility of the rise of a 'state-led' transformation that could have involved change, even compulsive change.

Pritchard and Fortes and later Julius Nyerere asserted that decentralized pre-colonial African societies were egalitarian especially because of the communal ownership of the primary means of production, land and a strong system of communalism, of 'moral ethnicity' based upon the extended family, lineage, and clan system. The pastoral communities were mostly nomadic and while livestock belonged to families, grazing fields were jointly 'owned' or utilized, a system that is widely practiced to this day. In the case of Kenyan societies Munro notes with regard to the Kamba that egalitarianism was "expressed in the reluctance to grant rights or privileges to any individual and an envious denigration of those who achieved prominence."⁷ Land in most of the societies was ultimately clan or family property and a clan member could clear and thereby acquire a portion that no one else claimed; every male member of a clan or family was entitled to land once he attained adulthood.⁸ Indeed, an individual land 'owner' could not sell 'his' land to a stranger without the approval of the clan. John Middleton and Greet Kershaw note in the case of the Kamba that: "[T]he land-holding unit is the joint or extended family (*muvia*), and individual rights in land should be considered within the framework of rights held by the joint family."⁹

The formidable checks on private accumulation of wealth were not however full proof. Rather, a category of poorer, land-less people, mostly immigrants from other clans emerged in the community e.g. the Kikuyu *ahoi* and the Maragoli *vamenya*. However, people in the category of *ahoi* and *tvamenya* did not become destitute but were accommodated within the social structure, often as tenants on the land that belonged to a wealthier clan member - a Kikuyu *muthamaki* or Kamba *munene*. Inequalities of this kind, though highly qualified have become the basis for a growing attack on the egalitarian thesis about pre-colonial African societies. Bruce Berman, for example, has noted that, "[T]he power relations of pre-colonial Africa were typically of patrons and clients. 'Big men' presided over intricate networks of

⁶ Walter O. Oyugi (1997). 'Governance in Kenya during Pre-Colonial and Colonial Periods.' In Hofmeister W. & Scholz I. (ed) *Traditional and Contemporary Forms of Local Participation and Self-Government in Africa*. Johannesburg: Konrad-Adenauer pp.89-102

⁷ Munro J.F. (1975). *Colonial Rule and the Kamba...ibid* pp.14-15

⁸ The first person to clear a virgin forest thereby acquired the right of ownership of the portion he cleared.

⁹ Middleton J. & Kershaw Greet (1965), *The Kikuyu and Kamba of Kenya*. London: International African Institute p.77

clientage involving reciprocal but unequal relations with 'small boys', as well as power over women and children, and those held in the diverse forms and degrees of servitude of pawnship and slavery."¹⁰

While patron-client relations actually existed, they involved inequalities that were by far less structured than what is given in the experience that followed the advent of capitalism. Acquisition of land for cultivation was largely a function of individual ability to clear a bush during the dry season and plant food crops when the rains came. Livestock was the greatest measure of moveable items of wealth and even in this regard, a young adult acquired the nucleus herd through gifts from uncles on the occasion of reintegration into the community at the end of the process of initiation to adulthood. Wagner has noted that the abundance of land in the pre-colonial era diminished its capacity as a commodity in the marketplace.¹¹ Restriction of access to the means of production could not be an explanation for deprivation. Moreover, whatever forms and levels of inequality that existed was moderated by the communal system of social security, along the lines that John Lonsdale refers to as 'moral economy.'¹² Furthermore, wealth was not linked to political power. A wealthier member of the society did not necessarily become a chief. As John Middleton & Kershaw Greet note in regard to the Kamba that "[A]ny man of wealth or personality may attract followers and be called *munene* (big man), but he will play no part in the government of the area."¹³ In the case of the Kikuyu, Godfrey Muriuki has noted that the *athamaki* were "neither chiefs nor kings, but were simply more respectable personalities among their own peers and the peers controlled their participation."¹⁴ The absence of entrenched economic classes in pre-colonial Kenyan societies in general forestalled the emergence of dominant classes that could have oppressed the subordinate categories resulting in authoritarian rule and economic exclusion of the latter, but it could have produced an indigenous bourgeoisie class. The pre-colonial socioeconomic system deliberately inhibited the rise of capitalism and contributed to the delay in development; the development of the capacity to meet basic needs. Africa could have been more developed by the time of colonial intrusion had the continent evolved capitalism.

COLONIALISM AND THE PENETRATION OF CAPITALISM

The advent of the conquest colonial state at the head of the whirlwind of European capitalist expansion and the subsequent establishment of alien rule was poised to change dramatically the pre-existing African social political and economic organization and it sparked

¹⁰ Bruce Berman (1998). 'Ethnicity, Patronage and the African State: The Politics of Uncivil Nationalism.' In *African Affairs* (1998), 97, p. 310-311

¹¹ Wagner G. (1956). *The Bantu of Western Kenya: With Special Reference to the Vugusu and Logoli*. Vol. II p. 75

¹² John Lonsdale in Lonsdale & Berman; *Unhappy Valley*

¹³ Middleton J. & Kershaw Greet (1965). *The Kikuyu and Kamba of Kenya* (London: International African Institute) 75

vehement resistance from the indigenous communities. Colonialism was therefore more of an economic enterprise that involved capitalist exploitation and accumulation based on hitherto untapped natural resources of the continent than a political undertaking that targeted European territorial annexation and political domination of foreign lands. Colonial capitalism began with merchant investment and accumulation in the form of the caravan trade between the coast based on Mombasa and the hinterland as far as the Lake Victoria basin. Merchant capitalism was introduced more systematically with the arrival and participation of the chartered Imperial British East Africa Company (IBEAC) at the end of the 1880s. The company dealt in ivory and rhinoceros horns from the interior and cloth, copper wire, iron, and porcelain items from overseas. The company was subsequently liquidated within half a decade and the British government assumed direct responsibility for the administration of the territory, now British East Africa Protectorate in July 1895 until the day of independence on 12th December 1963, six decades later. The British government embarked on a more elaborate scale of capitalist expansion in the protectorate than what the company had accomplished. The construction of the Uganda Railway (1896-1902) drastically modified commercial activities between the coast and the hinterland. The inability of commerce to enable the Railway become economically profitable drove the British government to introduced large-scale agricultural production based on European immigrant settler-farmers.

The demands of the newly introduced commercial and later agrarian capitalism compelled a reorganization of the pre-existing social, economic and political structure of the indigenous African society. Commercial capitalism even the caravan trade involved a new economic activity different from cultivation and livestock keeping that attracted especially the youth initially only to collect the articles of trade. Cultivation and livestock keeping became an important source of food for the caravans and later commercial traders generally, a money-based economic activity that introduced theft and robbery. Indeed, the caravans themselves also conducted raids on African villages for grain and livestock. The introduction of the large-scale settler farming - ostensibly the most efficient method of tapping the agricultural resources of the hinterland vis-à-vis African peasant production - had the most far-reaching impact on society. The method involved alienation of native land, proletarianization of native labor, and dislocation of families and communities due to the demands of the new wage-based, tax driven employment patterns. Furthermore, the new socioeconomic system was implemented only against the background of a new political order, the establishment of a coercive colonial political authority over the pre-existing forms of democratic authority and small clan or lineage based political units. The disruptive tendency of colonial advent particularly its assault on the African socioeconomic system and predatory inclination of its capitalist component provoked resistance from the Africans. The socioeconomic and political

¹⁴ *ibid* p.132

transition from the pre-colonial to the colonial order involved colonial military expedition, African resistance and eventual conquest.

The Africans had initially resisted the establishment of IBEAC authority that aimed to secure both caravan trade routes and trade stations. The company attempted to gain military foothold along the coast as well as along the corridor that linked the coast with the lake Victoria basin - the route the Uganda Railway line subsequently took, extending to Kikuyu - the frontier center with the Uganda Protectorate in the Rift Valley and beyond. Through conquest, the company subsequently established its authority over a swath of territory and divided it into seven districts.¹⁵ The formation of this structure of field administration marked the beginning of the Provincial Administration that was profoundly developed under colonial era and inherited by the post-independence government. The British government picked up the conquest mission from where the IBEC had stopped.

Once the railway was completed (1902) and partly during its progress, the invading colonial authorities set upon the establishment of the beginnings of a nation state that were both a concomitant and a requirement for the development of capitalism. Specifically, the authorities sent pacification expeditions to conquer the outlying communities using warriors from one tribe to subdue another as well as the 'rug-tag' ex-IBEAC army - the nascent Kenya African Rifles (Lonsdale 1992, Mungeam 1966, Munro 1975, Tignor 1976). Officers of the incipient Provincial Administration led the offensive in what Mungeam (1966) describes the case of the 'moving frontier.'¹⁶ The European expeditions were brutal and savagery. Typically, they maimed, burnt huts, looted livestock, abducted women, appropriated native land for the settlement of European newcomers, extracted labor and established administrative or control outposts. The British conquered Kenyan societies because the latter were pre-capitalist, without modern means for self defense. Colonial conquest

In short, the natural resources endowment of pre-colonial African societies was the primary basis for the British capitalist encroachment, the transition from pre-colonial democratic and egalitarian organization of society to colonial authoritarian and economically predatory socioeconomic and political organization. A political framework had been set for the operation of a capitalist economy, based on local resources, notably, land, minerals, livestock, forests, and most importantly labor. While the capitalist economic motive was the driving engine for the establishment of colonial political control, the latter was essential for colonial

¹⁵ Each district was under a District Resident Agent (later to be known as District Superintendents) - Kismayu, Ukamba, Vanga Malindi, Lamu, Takaungu and Witu. The districts were further subdivided into sub-districts each with a Station Agent in charge of the trading centers.

¹⁶ Hall went against the Kikuyu around in Fort Smith and Fort Hall, Jubaland (1900), Northcote and Colonel Harrison against the Nandi (1905), Hinde against the Embu (1906), Northcote against the Kisii and Lane against the Meru (1908), Ainsworth against the Kamba and Hall against the Kikuyu.

economic penetration and investment and subsequently for safeguarding the overall European capitalist hegemony against African challenges.

Land for European settler farming was in the view of the British government the most important of these resources. Land alienation and European settlement therefore followed a step behind military conquest of the local inhabitants. European settler estates in what was named the Kenya Highlands that had the most fertile soils, rainy and with cool climate became out of bounds to non-white settlers by an explicit and one of the most important legislation - the Kenya Highlands Ordinance. The African original owners of the land were dispossessed in a major program of land alienation and were pushed to the less fertile, drier, affecting the Masai, the Kikuyu of Southern Kiambu, the Nandi, and the northern Luhyaland. European settlement and African labor involved by 1960 3,400 European settlers occupying 7.5 million acres of land and a native labor force of 250,000, a socioeconomic production method that contributed K£36 Million of the K£46 Million (78 percent) of the total marketed production.¹⁷ Indeed, the A wealthy and hegemonic European agrarian bourgeoisie class had been made even though it frequently suffered considerable internal constraints such as ownership of small parcels (by capitalist standards), under-capitalization, and, according to Zwanenberg, the cultivation of only 10 percent of the Kenya Highlands that was reserved for the white farmers. The performance of settler agriculture is an interesting subject that many studies have already ventured in. We shall however concern ourselves with the impact of settler agriculture on African socioeconomic conditions and the consequent rise of native revolt.

Land alienation for European settlement created land shortage and land pressure among the African previous owners and inhibited the socioeconomic and political reproduction of the affected communities. For example, population pressure in African reserves inhibited the rise to adulthood that involved the setting up of new homesteads; created poverty; and dislocated families and clans as they sought wage opportunities in towns and on settler estates in a process that proletarianized hitherto autonomous peasant farmers. Inadequacy of land was a new phenomenon among the Africans. The problem became structured following land reforms that involved survey and registration of titles. Henceforth the communal bush that was 'no man's land' that a newly initiated African adult could establish a home in the way it occurred in olden days was likely to be private property even though the owner kept it for speculative purposes. The African reserves rapidly became congested, incapable of supporting its human population and created conditions for potential African rebellion. The colonial state therefore introduced additional land reforms in a desperate effort to restore ecological balance between the population of both humans and livestock on one hand and the capacity of the land they

¹⁷ Richard Sandbrook, *Proletarians and African Capitalism: The Kenyan Case, 1960-1972* (Cambridge: Cambridge University press, 1975), Sorrenson M.P.K, *Origins of European Settlement in Kenya* (Nairobi: Oxford University Press, 1968)

occupied to sustain the population. Land reform programs like crop rotation, land consolidation, terracing, soil conservation, de-stocking (reduction of the size of livestock per family), all failed to restore the carrying capacity of the land and, instead, economic hardships increased.

Labor was a critical factor of production in the colonial economy. The goal of capitalist accumulation together with the condition of under-capitalized settlers necessitated the use of plentiful and, above all, cheap native-wage labor. Recruitment of native labor was both directly and indirectly compulsory. The recruitment was indirect insofar as land alienation was stretched and native taxes increased unduly in order to restrict the land and associated resources in reserves, create socioeconomic hardship, and ultimately compel native men, women and children to seek wage employment in the Kenya Highlands. More directly, the colonial state introduced the Native Labor Ordinance of 19... as well as the Kipande system to enforce native labor on settler estates that were characterized by low wages, poor living conditions, inadequate food rations, and cruelty. Squatters (tenant labor) were continuously harassed due especially to the competition that they posed to the production of the host-settler. Thus, for both 6 percent of the Africans who, according to Zwanenberg,¹⁸ joined wage labor and the majority who continued peasant life in reserves the needs of capitalist accumulation had subordinated and violated their social structure as had existed before.

The colonial state established also numerous technical services departments, instruments for delivery of social and economic services in the colony. However, distribution of the technical services favored the European, that is, the needs of capitalist production and accumulation in commercial, agrarian, and corporate sectors. The departments responsible for lands settlement, survey, agriculture, labor, Uganda Railways, and public works were together the backbone for settler production and accumulation. Departments responsible for health and education supported the social and welfare needs of the emergent European settler community, including the growing number of colonial officials. These departments functioned therefore at the expense of the African interests. For example, land and survey alienated African land. The Department of Agriculture prohibited African cultivation of profitable cash crops and enforced 'land conservation' program that was intended to make the diminished and impoverished African reserves more hospitable for agricultural production. The Department of Labor ensured an uninterrupted supply of plentiful and cheap native labor. The Public Works Department constructed roads that linked settler estates to markets while in African reserve roads linked the villages to administrative centers for ease of deployment of security personnel in cases of revolt - for 'closer administration'. Social services departments established different

¹⁸ R.M.A. van Zwanenberg, *Colonial Capitalism and Labor in Kenya 1919-1939* (EALB: Nairobi, 1975). Squatters were native laborers who provide free labor on settler estates in return for opportunity to use a portion of the employers land for farming and livestock keeping

service delivery facilities - schools, hospitals, social centers, etc - for the three different racial groups in the colony. European facilities and services were of higher quality and adequate capacity than what native facilities and services offered. Moreover, native schools and hospitals were overcrowded and lacked some of the essential equipment, supplies, and qualified staff. Annual budget for European services in all sub-sectors of public service was higher than the allocation for African services even though total European population in the colony was less than one tenth of the native population. Indeed, Christian missions provided approximately fifty percent of all modern services in education, healthcare, and vocational training.

The mode of colonial economic domination and exploitation of the Africans excluded the Africans from the mainstream economic progress and pushed the native population to the periphery of the emergent capitalist production. The emergent class structure was based on both relations of production and race. Specifically, the Africans were deprived of land, production of profitable cash crops, and social and economic services that the technical departments of the colonial state provided. Furthermore, African socioeconomic organization was steered towards support of the European capitalist production especially with regard to the supply of labor, tax revenue, and peasant produced grain for local consumption. While the colonial economic order had adverse effects upon the conditions of living for the Africans and privileged the Europeans, the former were largely compliant with the colonial order at least until the post-war period. A proletariat class or a dispossessed class had emerged with a revolutionary predisposition that is often analyzed within the context of nationalism - liberation. However, the so-called African nationalism was not opposed to capitalism as such. African nationalism opposed the exclusionary, race-based characteristic of the colonial capitalist system of accumulation and distribution. African nationalism aimed not to restore the pre-colonial status quo, but to renegotiate the relations of production, to de-racialize the emergent capitalism. The amelioration strategy that the colonial state introduced in order to safeguard capitalism had failed.¹⁹

CAPITALISM AND DEVELOPMENT AFTER INDEPENDENCE

This subsection of the paper aims to show that the post-independence mode of economic and political organization in Kenya undermined and slowed down the capitalist system of production that had been established and developed in the country during the preceding colonial period resulting in a return to pre-capitalist mode of production and a halt to development. The post-colonial development policies and programs undermined rather than

¹⁹ The strategy had involved the introduction of the Colonial Welfare and Development Vote for the Africans, development planning from 1947, the 1954 Swynnerton Plan, the 1947 African Land Development Program (ALDEV), the Development and Reconstruction Authority (DARA), and land resettlement.

advanced capitalist development, especially in the rural areas and contributed to the intensification and reproduction of rural poverty.

The anti-colonial nationalist leaders and the African population in general were in agreement about the colonial economic domination of the African population, but differed on how to restore equity in the economic sphere once independence was achieved. The African population and a few leftist nationalists like Bildad Kaggia expected redistribution of land in the former White Highlands as well as other economic opportunities in the commercial, services, and manufacturing sectors in favor of the poor and the "land-less". But the right wing bulk of the KANU leadership like Jomo Kenyatta seemed to favor redistribution to a new African bourgeoisie; that is, to individuals able to pay for the land and other means of capitalist production that the colonial bourgeoisie had opened. A new African bourgeoisie class emerged through the process of Africanization of both the economy (land ownership, commerce, industry) and state apparatuses including the bureaucracy thereby establishing a link between state power, state resources and accumulation. In the end, Kenya adopted a system that was neither free market nor socialist and the development of capitalism was halted except for a few economic predators, not a bourgeoisie. The failure of capitalist development in post-independence Kenya can be analyzed from the standpoint of agriculture, the character of the emergent bourgeoisie, and the state.

FAILURE OF AGRARIAN CAPITALISM

Agrarian capitalism that was based on European settlers in the Kenya Highlands was largely dismantled through African land resettlement that began following the Lancaster House Kenya Constitutional Conference of 1960. The previous European settler farmers were compensated for the land through loans from the British government, although a few of the settlers preferred to remain in Kenya and continues their large scale agricultural production. African land resettlement was organized in two schemes: the High Density and Low Density Schemes. High Density schemes involved subdivision of the previously large scale European farms into smaller parcels - between 15 and 100 acres - for distribution to African peasant farmers. The Low Density Scheme on the other hand involved wholesale transfer of a large European settler farm to a new African settler in a walk-in-walk-out arrangement.²⁰ The African resettlement schemes, especially the High Density Schemes were implemented at the expense of large scale agrarian capitalist production and clearly marked a return to the subsistence peasant mode of production of the pre-colonial era. The new African political elite failed to recognize that agro-based development of the country was possible only through capitalist production, not peasant production. While African resettlement on small-scale plots

²⁰ John Harbeson; Land and Nation Building in Kenya; Colin Leys, Underdevelopment in Kenya

served the political imperatives of patronage, the cost to the development of the country was immense.

Meanwhile, congestion in the areas that had been referred to as African reserves continued especially as the population increased in the post-independence decades. Moreover, peasant production in the former African reserves continued to the point where today many of the former reserves are a typical case of rural slums. Congestion and shortage of cultivable land characterize the former African reserves. The post-independence state missed opportunity to maintain and develop further agrarian capitalism through de-racialized Low Density resettlement and production in the former Kenya Highlands. The Kenya Highlands would thus constitute a platform for accumulation with redistributive channels such as employment opportunity, tax revenue, and foreign exchange earnings from agro-exports.

The post-independence government policy also lost opportunity to change the land tenure system in the former African reserves to pave the way for large scale production, based on individual production, collective production through cooperatives, or through state production. The two possible measures could result in capital accumulation and the generation of wealth.

FAILED DEVELOPMENT OF LOCAL BOURGEOISIE CULTURE

The departure of European agrarian, commercial, and industrial bourgeoisie left behind a vacuum that called upon a local, indigenous bourgeoisie to fill, a bourgeoisie that did not exist. While Africanization of ownership of the means of production was effected rapidly, the emergent class of African bourgeoisie failed to acquire the characteristics of the classical bourgeoisie, especially skills, capital, and relevant culture of accumulation. The emergent African bourgeoisie:

- Deposited surplus in foreign bank accounts thereby deprived the country capital to expand investment
- mixed family with business
- mixed politics with business
- mixed leisure with business

The use of the non-capitalist approach to a capitalist production produced failed capitalist development.

FAILED STATE-LED CAPITALIST PRODUCTION

The frequently cited sessional paper no. 10 of 1965 argued that Kenya's development approach would involve both private and state ownership of the means of production. State

ownership was justified by the argument that a national bourgeoisie that could spearhead development hence the state had to intervene in the market to fill the role of the bourgeoisie (a public bourgeoisie) to undertake large scale capitalist production, involving accumulation of capital and the generation of wealth on behalf of and for the benefit of the public. This approach to development is often referred to as nationalization of the economy and is noticeably different from Africanization.

Nationalization of the economy was undertaken through the establishment of public enterprises as a framework for capital formation, production, and even accumulation. While public enterprises (PE) served more purposes than just capital accumulation, the generation of wealth was crucial and was not necessarily antagonistic to the fulfillment of the other goals of PE. However, public enterprises failed to spearhead capitalist development, not because the approach was inherently faulty as the right wing economists argue, but because the state mixed non-capitalist considerations with capitalist undertakings, especially political patronage. The state treated PE as:

- a source of employment *per se*
- a source of cash for regime political operations
- as part of the public bureaucracy disinterested in profitable management

The failure of PE is of course no justification for privatization, but evidence for the need for reform and improvement.

CONCLUSION

Development transition in Kenya has not occurred due to the failure to embrace capitalist production. Capitalist production involves large-scale production, capital accumulation and generation of wealth that can be subsequently redistributed through the development of a social welfare program. Pre-colonial system of small political units, consensual governance and prohibition of accumulation delayed the rise of capitalism allowing the West a head start that subsequently resulted in the development of capitalism through external, colonial penetration. Colonial capitalism was more exploitative than should have been the case because of its foreign rather than indigenous characteristics. However, the turn of independence marked the end of meaningful capitalist development. The state failed to guide capitalist production and instead promoted subsistence peasant production and petty entrepreneurship. Public enterprises were transformed into instruments for non-capitalist pursuits. The potential indigenous bourgeoisie lacked the relevant culture and skill. Can a country develop with adoption of the capitalist system of production, however organized?