

This work is licensed under a
Creative Commons Attribution-NonCommercial-
NoDerivs 3.0 Licence.

To view a copy of the licence please see:
<http://creativecommons.org/licenses/by-nc-nd/3.0/>

SOME PROBLEMS OF CAPITAL AND CLASS IN KENYA

by

Michael Cowen
Kabiru Kinyanjui

Occasional Paper No. 26

INSTITUTE FOR DEVELOPMENT STUDIES
UNIVERSITY OF NAIROBI
P.O. Box 30197
NAIROBI, KENYA

November 1977

This collection of essays was originally prepared for the Division for Socio-Economic Analysis, Sector of Social Sciences and their Applications, UNESCO, Paris. The essays were presented at a Seminar held at the Institute for Development Studies in March 1977. In the course of preparation of this paper, we have benefited from the efforts of many people. Our thanks, for research assistance, go to A. Mutahi, B. Njenga and M. Wafula. For suggested editorial and other revisions, we are indebted to C. Martin, S. Westley and P. Wyeth. The I.D.S. staff have contributed a great deal in all stages of preparation of this collection. We thank them for their patience. However, views expressed in this paper are those of the authors, and should not be interpreted as reflecting the views of the Institute for Development Studies, the University of Nairobi or UNESCO. This paper is not for quotation without permission of the authors, as specified in the Copyright Act, Cap. 130 Laws of Kenya.

SOME PROBLEMS OF CAPITAL AND CLASS IN KENYA

by

Michael Cowen and Kabiru Kinyanjui

Michael Cowen
Kabiru Kinyanjui

ABSTRACT

In this paper the authors raise some critical issues related to income distribution and class formation in Kenya. The first section focusses attention on the notion of a salariat and the phenomenon of straddling between permanent employment and private accumulation within private enterprise, a feature of colonial and post-colonial state formation in Kenya. The second section deals with a category of workers who are supposed to be privileged because of the relatively high wages received in comparison to other groups of workers. It is shown here that historical changes in the relations of production, as well as the application of wage guidelines and Industrial Court wage awards, have affected this category of workers, eliminating the privilege which they were supposed to enjoy. Two case studies are given in this context - that of estate agricultural supervisors and bank workers. In the third section, the authors focus on household production of commodities (coffee, tea and milk) in Nyeri and Murang'a in Central Province. The intention here is to explore the implications of both domestic and international capital in household production as they affect the relations of production and distribution in smallholding agriculture.

The intention in focussing on these issues is not to make conclusive statements, but rather to draw the attention of researchers to the need for further research in these areas.

This collection of essays was originally prepared for the Division of Economic Analysis, Centre of Social Studies and their affiliates, Makerere University, Kampala, Uganda, in the course of preparation of this book. The essays were presented at a seminar held at the Institute for Development Studies in March 1977. In the course of preparation of this paper, we have benefited from the efforts of many people. For their helpful comments and suggestions, we are indebted to E. W. Mwangi, E. N. Njoroge and E. W. Njoroge. For their critical and helpful revisions, we are indebted to E. W. Mwangi, E. N. Njoroge and E. W. Njoroge. The I.D.S. staff have contributed a great deal in all stages of preparation of this collection. We thank them for their patience, however, their expressed in this paper are those of the authors, and should not be interpreted as reflecting the views of the Institute for Development Studies. The University of Nairobi, Kenya. This paper is not for quotation without permission of the authors, as specified in the Copyright Act, Cap. 130 laws of Kenya.

SOME PROBLEMS OF CAPITAL AND CLASS IN KENYA

PREFACE

This paper is an attempt to move beyond the simple formulations of inequality and class formation in Kenya. Although we do not propose to formulate a general theory, or a comprehensive analysis of the social formation in the manner of studies such as the I.L.O. Report (1972) or C. Leys's Underdevelopment in Kenya (1975), we nevertheless wish to raise some critical issues related to income distribution and class formation. The issues raised in the paper encompass some of the problems which we feel need further research and analysis.

Section I focusses attention on the notion of a salariat and the phenomenon of straddling between permanent employment and private accumulation within private enterprise, a feature of colonial and post-colonial state formation in Kenya. However, what distinguishes between the two periods, for the Africans, is the compulsive nature of straddling and the level at which it is carried out. The importance of this process for the accumulation of domestic capital within the formation of an indigenous capitalist class is very obvious.

Section II deals with a category of workers who are supposed to be privileged (a labour aristocracy) because of the relatively high wages received in comparison to other groups of workers. Yet we have shown how the process of devaluation of positions (labour power) resulting from historical changes in the process of production have affected categories of workers who, in the past, occupied relatively high-wage positions. Further to this, it is shown how the application of wage guidelines and the Industrial Court wage awards have continued the process of the devaluation of labour power, thereby eliminating the privilege which the workers in this category were supposed to enjoy. Two case studies, that of estate agriculture supervisors and bank workers, are given to illustrate the devaluation of labour power.

Section III focusses attention on household production of commodities (wattle bark, tea and milk) in Nyeri and Murang'a in Central Province. The implications of the intervention of both domestic and international capital

in household production are explored as they affect the process of production and distribution in smallholder agriculture. The section is a revised and enlarged version of M. Cowen's paper, 'Notes on Capital Class and Household Production' (1976). Before this present section was written, our intention was to use the Integrated Rural Survey (I.R.S.) data from the Central Bureau of Statistics to extend the analysis beyond Central Province and to enrich the analysis of household production in the countryside. Our analysis has not, however, benefited from I.R.S. data, but we hope to incorporate some of that data in our work when it is available.

In the three sections attention is given to class formation from different forms (both domestic and international) and periods of capital. Our intention in focussing on these issues is not to make conclusive statements, but to draw the attention of researchers to the need for further research in these areas. The intention of this paper is therefore to raise these issues as research problems which relate to capital and class in Kenya. We emphasise that work within these areas is only exploratory and should be regarded as such.

Some concepts, such as collective labour, collective capital and unproductive labour, are not fully specified in the text, but we trust that interested readers will be able to find adequate sources of reference to the concepts in the footnotes.

THE SALARIAT

Two problems have come to preoccupy vehicles of public expression, both academic (Mutiso 1975, Leys 1975) and popular (Nyamu 1975), which are motivated by state or private interests: the problem of a salariat and that of a labour aristocracy. These problems, it should be emphasised, do not arise from simple quantitative indications that there is a marked and recognisable degree of disparity in the salaries and wages earned by different groups and fractions of workers and managers, of employees and administrators within private enterprise and the state (Prewitt 1972). The issues are rather the places of individuals who occupy positions as manager (administrator) and worker (employee).

Our interest is not so much the relative salary level, or the change in that level in the recent past (Leys 1975, Prewitt 1972), of a particular group of state administrators, but rather the position of the individual, a position which straddles the boundaries of administration within the state and accumulation within private enterprise. This issue is often popularised by the trade unions as simply a question of one man, one job and is argued by Nyamu in terms of efficiency and conflict of interests within the state bureaucracy. The focus of our attention, is similarly not the degree and change in the differentiation of wages (the state of relative wages) between different groups of workers, skilled or unskilled, employed by international or domestic capital, state or private sector workers. What is of major interest is rather the formation of the position of labour, as determined by the formation of international and domestic capital, which also underpins and underwrites the degree of differentiation of wages.

This section will focus upon a phenomenon which is not only a feature of the development of capitalism in post-colonial Kenya, but goes back to the colonial period, namely, the notion of a class which maintains formal permanent employment in the apparatuses of the state while at the same time engaging in the accumulation of capital within private enterprise.

The Position of the State Salaried

Our interest in state employees, employed at all levels within the hierarchies of all branches of government does not arise from the more usual dichotomy which is made between productive and unproductive labour. The distinction, between the employment of labour power which directly produces surplus value for the augmentation of surplus value (accumulation) and the employment of labour power for the augmentation of resource (consumption), has long been characterised as the distinction between productive and unproductive labour.¹

1. Recently, there has been renewed interest in the concept of unproductive labour. The most succinct summaries of the problem are to be found in Fine and Harris (1976b) and O'Connor (1975).

O'Connor, like Carchedi (see below), does not distinguish productive from unproductive labour by reference to the sphere of production as distinct from the sphere of circulation. Rather it is the distinction between control/surveillance and the coordination of labour, whether in production or circulation, which marks off productive from unproductive labour: '...productive labour reproduces and expands the means of production and also the control of the boss over the labour process and the workers who engage in this process' (p. 312).

Now, it is clear - and particularly at our level of analysis pitched at the level of the social formation² - that no easy separation can be made between the employment of state employees determined by the relatively autonomous space of political relations and the employment of labour power by the state to fulfil the production of commodities under the control of capital. Take the foremost instance of a state presence within Kenya - that of education: the expanding employment of labour within state education can be shown to have been effected by a political expression which has arisen from the suppression of education during a previous, colonial period of state formation.³ Employment of state employees is conditioned by the political necessity to supercede the suppression of education. Yet, the expansion in education workers also necessarily contributes to the expansion in the production of surplus value. There is no insulation which conveniently protects the distinction between productive, private capital accumulation and unproductive state consumption. This is explained as follows:-

The force behind the production of surplus value is the necessity (1) to increase the mass of labour power employed in the production of commodities and (2) to reduce socially necessary labour time to permit the increase in surplus labour time within the production of commodities. Socially necessary labour time is reduced by lowering the value of labour power. The reduction in the value of labour power is secured by an increase in the average productivity of labour which reduces the cost of producing the necessary means of subsistence for the reproduction of labour power. It is this cost, that of producing the necessary means of subsistence, which determines the value of labour power.

2. There has also been a renewed interest in and a return to the concept of a social formation. See Hindess and Hirst (1977).

3. Suppression of educational demand during the colonial period took the form of racial segmentation of the schooling system, with most of colonial state revenue going into the education of non-Africans. African education was predominantly in the control of Christian missions which lacked finance and manpower to cope with the rapidly increasing demand for education. Opposition to colonial restrictions on African education found expression in the emergence of independent schools in the 1930s and in the rejection of the Report on African Education (Beecher Report, 1948). Thus the development of education in the 1950s and 1960s, and particularly at post-primary level, can be viewed as a strong reaction to the restrictions which existed in the 1920s and 1930s. See Kinyanjui 1976.

If it is proposed that the expansion of education is over-determined by the political relations pertaining to control over the employment of education workers by the state, then it also has to be proposed, if state employees are to be designated as unproductive labour, that the expansion of education must have no effect upon the increase in the mass of labour power employed in the production of commodities as well as no impact on the average productivity of labour engaged in producing the means of subsistence.

But education not only changes productivity (the value of labour power) but also the number of workers (mass of labour power) in commodity production. Education enters into the means of subsistence for the reproduction of labour power and widens the range of means of necessary subsistence.⁴ For any given value of labour power, the mass of labour power will be increased by the necessity to provide for the increased means of subsistence. In other words,

4. We regard education as a form of consumption, a use value which is of the same order as health. Where education is treated as an investment, as is customary in much of neo-classical theory, expenditure on education is regarded as a form of personal saving. Personal saving, unlike saving out of profits, serves only to redistribute wages over the lifetime of any given household. Expenditures upon education form a relatively large proportion of outlays from all household budgets.

Urban household budget data for the lower income (earning up to £240 per annum) and middle income (£240-840) groups in Nairobi during 1971 showed that between 5 and 7 per cent of total household budgets was spent on education. However, as school fees are invariably paid by the household in the countryside, where dependents attend school, these estimates are likely to be grossly understated. Thus, for Magutu Location in Nyeri District over 1971/2, school fees absorbed between 14 and 26 per cent of total household expenditure. The budget surveys included household budgets of agricultural labourers. See Kenya, Statistical Abstract 1976 and Kinyanjui (1974). Education is necessarily subject to a socially enforced standard of consumption in the same way that the increase in the consumption of commodities, in general, is transmitted as some required standard of consumption.

The provision of education as a service, by private enterprise or by the state, makes education an exchange value in the same moment that it is consumed as a use value. Private education is a production process of the same order as any other form of private enterprise which produces surplus value for accumulation.

State education is subject to political relations in so far as the finance for the provision of education, both as a use value (for households) and as an exchange value (reducing the value of labour power for capital), represents an excision from surplus value which has been produced in production processes.

the necessity to obtain wages to cover education costs forces an increase in total labour time in commodity production. As we will show in the other sections (on the labour aristocracy and on peasant household producers), contemporary conditions require that the means of subsistence are increasingly reproduced through the wage labour of commodity relations and only residually through direct consumption from household production.

Only in so far as the expansion in the provision of state services is contained only within the realm of political relations, and has no effect on the mass and value of labour power employed, can we declare that state employees are unproductive. No such proposition can be accepted either at our level of analysis or for the specific period of class formation in question. It is to be taken, therefore, that (a) the distinction between productive and unproductive labour does not characterise the separation of state from non-state employees but rather, as will be explained presently, applies to two concepts of labour found within both sectors, and (b) the various branches, ministries and other institutions of government are subsumed under a generic notion of the apparatus.⁵ The notion of the apparatus recognises the difficulty of imputing purely or relatively autonomous political criteria to the action of branches of the state. It is assumed that state apparatuses encompass both the realm of political relations and the sphere of relations of production. Also, for our specific purposes, it is assumed that there is no conflict between forms of the state apparatus.

5. The notion of the state apparatus is developed in Poulantzas (1975):-

The principle role of the State apparatuses is to maintain the unity and cohesion of a social formation by concentrative and sanctioning class domination, and in this way reproducing social relations, i.e. class relations. Political and ideological relations are materialized and embodied, as material practises, in the state apparatuses. (pp. 24-5)

State apparatuses do not possess a power of their own, but materialise and concentrate class relations.... The State is not an 'entity' which / sic / an intrinsic instrumental essence, but it is itself a relation, more precisely the condensation of a class relation. (p. 26)

The generic notion of an apparatus is employed to disassociate the analysis of the state from the more common institutional interpretations which give a primacy to the institutions of government in attempts to interpret class formation.

State apparatuses, it must be emphasised, do not reproduce capital and labour but are only a condition, within a period where the dominant relations of production give rise to and are effected by the production of relative surplus value, for the extended reproduction of capital and labour.

The replication of the distinction within state apparatuses between productive and unproductive labour emerges from the recently developed concepts of collective capital and collective labour (Carchedi 1975a). The concept of collective capital liquidates the difference between, on the one hand, legal ownership of the means of production and on the other hand, control over production processes which produce surplus value. A liquidation of the difference between legal ownership and control over the production of surplus value is made necessary to transcend the association of the capitalist with an individual person who has social control over the production and appropriation of surplus value. Also, the concept of collective capital breaks down the boundaries between productive or industrial capital (control over the process of producing use values as exchange values) and non-productive or commercial capital (control over the purchase and sale, and means to realise purchase and sale, of commodities as exchange values).⁶ A break is made necessary to acknowledge the subordination of the labour process (forces of production)

6. The most incisive separation between industrial (productive) and commercial (merchant) capital is to be found in Kay (1975). Now, a rupture between the production of commodities and the circulation of commodities - within the spheres of the production and the realisation of surplus values - breaks the unity between the two processes. The incisive separation is necessary to counteract the tendencies which place production and circulation within the same order of analysis; the tendencies which treat commercialisation in the same moment and as equivalent to the capitalisation of production processes have bedevilled the concept of exploitation. Yet, by subordinating circulating capital to productive capital in the form of a rupture and treating the phenomenal form of capital as a concrete institutional instance, some equally bedevilling results are obtained: Kay, for instance, inserts estate agriculture within colonial social formations into the sphere of circulating capital (1975, p. 123). The recent spate of radical interpretations of class formation in Eastern Africa all negate the phenomenon of domestic, and in particular indigenous, capital with reference to a dependent commercial bourgeoisie, an auxiliary bourgeoisie, a monopolistic petit bourgeoisie (Leys 1975, Mamdani 1976, Shivji 1975).

The results are bedevilling because the subordination of commercial capital is employed to directly infer the subordination of domestic capital to international capital. The formation of a domestic capital is characterised again as an equivalence between commercialisation and capitalisation, for whatever the valorisation of surplus value in production processes as expanded reproduction, the limits of the domestic form of capital must be confirmed to the limits which confine circulation as a subordinate process to production. Carchedi (1975a, pp. 8-19) permits an autonomy for the sphere of circulation which both modifies and sets the limits for the modification of relations of production. It is the autonomy of distribution, and particularly an autonomy which is given effect by the intervention of the state, which at the political level permits, within any one social formation, the transformation of concrete forms of capital from the sphere of circulation into the sphere of production. Abstracting from any given social formation, it can be easily reckoned, as Carchedi does, that the line between surplus value and non-surplus value of production is very thinly drawn. Workers within the sphere of circulation are 'oppressed and not exploited' only because surplus value is not directly produced, is indirectly produced, by reducing the costs of realising surplus value. Thereby, surplus value is released for valorisation within production processes (1975a, pp. 19, 41). It is not so easy to reckon whether the difference between direct and indirect is a quantitative weight attached to a qualitative characteristic embedded within different forms of capital and labour. See also, for a similar point of view, Fine and Harris (1976a).

to the realisation and appropriation of surplus value (relations of production). It is such a subordination which characterises the capitalist mode of production. A capitalist mode is formed by the subordination of labour to capital, by the separation of individual producers from their means of production and by the social incorporation of producers in the production process. Social incorporation is only realised as part of the process which produces surplus value, and the part of the process of appropriating and realising surplus value must be subordinated to the unplanned and socially undirected process which produces use values as exchange values. The social incorporation of producers is formed in conflict with the subordination of the production of use values to the production of surplus value. It is this conflict which ingrains control and surveillance into the concept of capital and separates the control over the production of surplus value from the necessary coordination and unity of labour processes in the production of use values as exchange values (Carchedi 1975a, p. 21).

Separation of collective capital and collective labour now displaces the dichotomy between unproductive and productive labour. Control and surveillance is unproductive because it arises from the subordination of the labour process to the process producing surplus value which is specific to a capitalist mode of production. Coordination and unity of labour processes are productive because coordination and unity are inseparable and a necessary condition for the social incorporation of producers in the labour process of production.

The distinction between control/surveillance and coordination/unity does not merely separate unproductive from productive labour, but also produces the hybrid concept of the new middle class,⁷ the incorporation of individuals who are inserted into positions which contain elements of both control and coordination.

Incorporation of control and surveillance into the production process characterises and forms collective capital; incorporation of coordination and unity within the production process characterises and forms collective labour.

7. The concept has been formulated by Poulantzas (1975). Major extensions and critiques have been provided by Carchedi (1975a and 1975b) and Wright (1976).

Collective capital appropriates surplus value and obtains revenue, where revenue is that part of surplus value which is not invested to augment the production of surplus value. Collective labour produces surplus value to obtain wages tendentially equivalent to the value of labour power, which is that value only necessary to reproduce the means of subsistence and containing no element of surplus value which would permit the reproduction of the means of production. The new middle class take up a hybrid position obtaining both revenue - an element of surplus value - and wages. Such a position, it might be supposed, fits the position of the class which maintains permanent employment in state apparatuses at the same moment in which it engages in the accumulation of capital within private enterprise. Unfortunately, no such correspondence between the new middle class and the straddling class can be entertained.

At the level of production relations, the intervention of the state is a precondition for the production of surplus value. The apparatuses of the state not only ensure the realisation of surplus value (to promote and regulate the purchase and sale of commodities including the commodity of labour power) but also act to change the value of labour power. Across a wide range of branches of the state (ministries and parastatal authorities) apparatuses have been structured, and can be perceived most obviously in the post-war period, to superintend not merely the circulation of commodities but also the processes of production. It is in smallholding agriculture that the force of superintendence is most obvious: controls over quantities and qualities of commodities produced at the level of the household, coupled with the fixing of producer prices, are all effected by state apparatuses. But beyond smallholding agriculture, superintendence has been extended to coerce changes in the productivity of labour and to force changes in the value of labour power.⁸

At this level, individuals who administer the apparatuses of the state are engaged in the control and surveillance of surplus value production. Individuals who perform the productive labour through which

8. It is unfortunate that for Kenya at any rate it is only small-scale agriculture which has been subject to scrutiny from this particular vantage point. Documentation for larger-scale agriculture, manufacturing and service industries would provide a not very different picture. For small-scale agriculture see Cowen (1974a and 1975).

surplus value is realised and surplus value is augmented are subject to control and surveillance. The subjection to control, at the level of production relations, arises from the general subordination of labour to capital, a form of subordination which places individuals in opposing positions. A new middle class performs both administration and production within the state apparatuses; the class receives revenue as a segment of surplus value in the form of a wage which is greater than the value of labour power necessary to reproduce the means of subsistence. But there is nothing in the notion of the revenue which ensures the reproduction of the means of production (the augmentation of surplus value).⁹ However, the position of the class which straddles the boundaries of permanent employment and accumulation permits the employment of revenue to reproduce, not the means of subsistence, but the means of production outside of state apparatuses.

At the political level, the state comprises a balance, a condensation of classes which are incorporated out of the formation of capital and labour. Positions of administration and productive labour are reproduced, at the political level, by the state from the form of its intervention in the production process where surplus value is created. In this case, the position of the new middle class is reproduced by virtue of the position within the condensation of class forces - again a condensation which arises from the general subordination of labour to capital. The position of the straddling class is not one which is encapsulated between collective capital and collective labour, but one which has forced the reproduction of state positions to permit the reproduction of private means of production by state personnel.

9. Revenue is distinguished from the surplus value component of profits and the value-of-labour-power component of wages to emphasise the difference between productive and unproductive labour. Unproductive labour, according to the classical conception, is exchanged, not against variable capital which is the valorised form of surplus value and thus augments accumulation, but against revenue, the unvalorised form of surplus value.

The identity, however, between revenue and unproductive consumption is a historical given and not a logical a priori condition. Carchedi (1975a, p. 55) takes the classical position that revenue is that part of surplus value not consumed productively.

It is the concrete formation of capital, a historical given, which provides the criteria for establishing the content of revenue. The concrete formation of capital in our case has taken the form of a transition from a pre-capitalist mode of production against the backdrop of a capitalism which had been extended on an international scale. Revenue as unproductive consumption on the fully blown, international scale is not necessarily consumed unproductively on a different, local scale.

A Historical Purview

At the outset, it is necessary to emphasise that straddling between permanent employment in state apparatuses and accumulation in private enterprise is not merely a phenomenon of the post-colonial state and a consequence of Africanisation which occurred in the transition between the colonial and post-colonial state (1960-1970).¹⁰ Although straddling has received much attention in post-colonial Kenya, it nevertheless has its roots in the colonial period. What differentiates the two periods is not the appearance of the phenomenon, but rather the rate at which straddling followed from the movement of Africans into the higher echelons of state apparatuses. The Africanisation and the expansion of state apparatuses, accompanied by the sweeping away of the restrictions which prohibited state employees or their wives from engaging in accumulation in private enterprise, accelerated the process of straddling between permanent state employment and accumulation in private enterprise. Straddling in the colonial period was stifled by the existence of a code of regulations which prohibited public servants from engaging in private enterprise (see Appendix) and, for Africans, by the limitations of the positions they held in the state apparatuses.

Straddling, therefore, does not accompany the transition between two forms of state, colonial to post-colonial state, but rather the transition to a capitalist mode of production, a transition which subordinates labour to capital. The form of transition was set by a movement of indigenous capital against the implantation of settler and the intervention of international forms of capital. Straddling has been made obtrusive only by the freeing of the movement of indigenous capital. Thus, the recommendations of the Ndegwa Commission have brought to the forefront the attendant phenomenon to that of straddling - using the influence of the positions occupied in the state apparatuses for private accumulation. Nyamu (1975, p. 4) describes this process:-

...when the policy of Africanizing business premises and business without premises became a reality in this country, the majority of the people who had the know-how and the necessary

10. Thus, Leys (1975) holds that:-
the /Ndegwa/ commission's recommendations... involved acceptance that in Kenya's conditions - that is to say, the conditions of neo-colonialism - the public service had to be paid on a quasi - prebendary basis. The higher civil service would be allowed to 'take their opportunities like other citizens', and so acquire a stake in the profits of the system. (p. 250)

financial skills were civil servants. They were also among these who had the means, like capital, to take advantage of this policy. They had more than this. They were the people in positions of power and influence, so that where capital was a problem, they were well placed to use this power and influence to have standard requirements relaxed by finance houses in order to enable them to take advantage of this policy (Emphasis added).

Again, this is not a feature of the post-colonial state only, but it was a pervasive phenomenon during the colonial period. What differentiates the post-colonial from the colonial aspects of the phenomenon is the expansion of scale and the level at which straddling is pervasive.

The expansion of scale and the level at which straddling is now pervasive is not a conspiratorial attribute of public influence nor a simple exertion of civil power. It is to be seen rather within the purview of the formation of capital and in particular within the changes of periods of capital, a transition which has been framed by a realignment of and a reformation of state apparatuses. For as the penetration of international capital excised the remnants of an implanted settler capital, so has that penetration been fractured and conditioned by the accelerated formation of indigenous capital. The excision and the acceleration have been marked and contested by a changed state, the apparatuses of which bend backward and forward between accommodation to international capital and facilitation of indigenous private accumulation.

Not only has the form of transition been demonstrated, but also the feature of straddling has been amply documented elsewhere. (See Harbeson 1973, Wasserman 1976 and Leys 1972.) Certainly from the 1910s in central Kenya, if not before, individuals occupied positions within state apparatuses which were formed from positions occupied by a class of primitive accumulators within a non-capitalist mode of production. Employed as clerks, teachers, artisans, they obtained revenue which permitted the acquisition of land by purchase, the setting in motion of variable capital for the employment of labour power and the establishment of trading enterprise.

Revenue is obtained as an element of the wage in so far as the wage exceeds the average value of labour power. The difference between wages paid and the value of labour power is a difference that approximates the notion of revenue which accrues to the function of collective capital. But to fulfil the function of collective capital, the positions of employed

clerks, teachers and artisans must be more supervisory, more those of control and surveillance and less those of productive labour.

However, the revenue element within the wage paid - the element which is directly proportional to the degree of supervision, control, surveillance which is present within the position - is by no means the prior and only condition necessary to establish a difference between the wage and the value of labour power. Rather, conditions to establish a difference between the wage and the value of labour power are established by two sets of differences between:

- a. The value of labour power specific to a position and the average value of labour power which pertains to the individual,¹¹ and
- b. The value of labour power specific to a position and that value of labour power which does not tend to an average but is fractured into different sets of values. There is a marked difference between the value of labour power of individuals whose necessary means of subsistence have been set by the conditions of a relatively advanced capitalism, and the value of the necessary means of subsistence set by the residual relations of production of a precapitalist mode of production.¹²

The first difference is accounted for by the degree to which education and training are made necessary to equip individuals with skills specific to a particular position. As education and training become embodied as an element within the reproduction of the necessary means of subsistence, the value of labour power specific to a position is raised above the average value of labour power. Wages obtained by clerks, teachers, artisans, may rise above the average value of labour power but be equal to the higher value of labour power

11. The discrepancy between the specific value of labour power and the average value of labour power is substantially shown in Carchedi (1975c).

12. The difference between the value of labour power and wages paid where part of the cost of the reproduction of labour power is met by the survival of households as economic units of production is noted by Wolpe (1972).

It should be noticed that there is a tendency for this and other formulations (best summarised in Legassick 1975) to maintain the mass of necessary means of subsistence at some given, constant level. Such is the procedure followed by Marx in volume one of Capital. As with the problem of revenue (cf. footnote 6), it is difficult to accept the content of the value of labour power as a logical, a priori condition, particularly when the level of analysis is pitched at the level of any given social formation.

specific to the positions. It is only as the average value of labour power rises and approaches the specific value of labour power that the difference between wages and the average value of labour power is extinguished. Or the specific value of labour power falls to approach the average value of labour power to extinguish the same difference.

As we show in the subsequent section (on the labour aristocracy), there is no automatic adjustment of wages to the average value of labour power. Not only is the devaluation of the specific value of labour resisted: the revaluation of positions, which maintains differences between the specific value and average value of labour power, is as much formed at the level of political relations as by presupposed changes in the components of the value of labour power.

Changes in Positions

We have seen that straddling between permanent employment and private accumulation has been a pervasive feature of the historical development of indigenous capitalism. However, there have been dramatic changes in the order of positions from which revenue is obtained for accumulation.

The positions of the 1920s - teaching, artisanship, clerical work - which gave vent to revenue are now, in the 1970s, positions for which the specific value of labour power is barely above the average value of labour power and for which the element of revenue is rapidly being extinguished. As we shall see in the following section on the labour aristocracy, the devaluation of positions is not simply an effect of the reduction in the dispersion of relative wages, where the wages paid are equal to the value of labour power specific to a position. The devaluation has come about through an increased differentiation of positions accompanying an expansion in the number of positions within state apparatuses.

Put in the simplest way, a primary school teacher of the early 1920s was the most common position from which accumulation took place. Now a primary school teacher of the same grade would be as unlikely to reproduce means of production from the wages obtained as an unskilled

worker would have been in the 1920s.¹³ To obtain revenue for productive consumption, the requisite position now would be one which contains the functions of collective capital - supervision, control and surveillance. At present, the foremost positions from which accumulation takes place are those of managers, senior administrators and professionals.

It is artificial to separate these changes or movements in positions from changes in the average value of labour power and changes in the residues from the precapitalist mode of production. But for convenience of exposition, a separation will be made by way of emphasis.

Differentiation in Positions

The Africanisation of places is clearly the most obvious indication of the movement of positions during the recent past, the period of the post-colonial state. In one sense, there is a simple form of replacement of African individuals in occupations occupied hitherto by European individuals. Simple replacement occurs if the notion of the position remains unchanged, namely if senior European and African administrators and professionals are equally immersed in the process of straddling. There is some evidence to suggest that this was the case during the colonial period. Administrators and professionals (lawyers, accountants, doctors), employed both by the state and outside the state, used revenue from permanent employment to engender revenue for private enterprise. This enterprise was concentrated within the spheres of commercial capital and small estate agricultural production. But the evidence also suggests that for equivalent positions, straddling was minimal, discretionary and not

13. A recent (1977) study of the economic activities of 49 primary school teachers in Kiambu District showed that only 3 teachers were involved in business (retail trading). These teachers had an average of 12.3 years of professional experience. In addition, sixteen teachers owned land ranging from two to ten acres and could be termed 'progressive' farmers. Nine of these teachers had been in the teaching profession for more than fifteen years.

In Kiambu District, and indeed Central Province, primary teachers involved in private accumulation through business are an insignificant proportion of the teaching force. In a relatively backward district such as Baringo, primary school teachers still form an important category of permanent employees engaged in private accumulation. For an attempt to explain the devaluation of positions of teachers in Uganda in particular, and Africa in general, see Tiberondwa (1976).

coercive.¹⁴ The contemporary coercion behind the process is not a simple

14. See Appendix One. At the end of World War I in 1919, provision was made by Governor Northey for officials in the employ of the state to purchase land. Lord Delamere in 1906 had pressed that officials be permitted to purchase land. In 1927, McGregor Ross commented:-

It was a far-seeing manoeuvre on the part of the Political Machine in Kenya to press on behalf of the poor down-trodden civil servant (it's friend for once!) that he should not be denied the privilege of buying, holding and speculating in land. The grant of this right must have been accorded, by High Authority, in an unwise moment. Its effect has not been other than demoralizing. That an overseas Governor and his staff should be able to acquire estates upon which labourers over whom they ruled, as the representatives of their king, had to labour for fixed wages, while the striker and the picket were, by the law of the land, treated as criminals or rebels, would no doubt have been held to be perfectly normal and in order, in the sixteenth century, beyond the Spanish main. It is a trifle out-of-date in 1927, in the British Empire. At least quite a number of people think so. One is left wondering whether they are right - or wrong. (1927, p. 129).

Quite. The flavour of the moralising (for what better way than to exorcise the demoralisation) of our well placed Labour Party man is captured by the slightly more recent, and less out-of-date, versions of pamphleteering.

Indeed, like ourselves, Mr. Ross did not know whether he was right or wrong:-

The officials in Kenya are nowadays the class of Europeans who are the poor.... Even the bitterest critic of 'officialdom' in Kenya has never complained, with regard to the vast majority of officials, that they ever pillage their neighbours. The complaints, which are few in any case, are all the other way - of aloofness and exaggerated independence. The subsidised or 'bought' official, and the cash varieties of 'graft' which are the disgrace of some Colonial dependencies, have never appeared (p. 285).

Also see Bennet (1965, p. 296); Smith (1976, p. 455); Clayton and Savage (1974, p. 154); and Swainson (1976a).

A list of state personnel with permission to engage in enterprise was submitted by Governor Northey to the Secretary of State for Colonial Affairs in March 1922. The list contained 37 cases ranging from positions of Clerk and Sub-storekeeper (Uganda Railways) to those of Deputy Director of Agriculture, Government Architect, Commissioner of Police and the Governor himself. This list detailed the interests held by particular personnel. All cases involved land -- none involved a non-agricultural enterprise. The most common interest was a land mortgage or a share in an estate. The range of the nominal value of the landholdings was from £70 to £6,000.

The Secretary of State commented on Governor Northey's despatch:-

Sir E. Northey; own acquisitions may be attributed partly to his zoological interests -- he has formed something of a 'zoo' -- but I do not much like the £6,000 investment in what is probably a sisal estate. (Governor Northey's entry in the list stated interests in (1) 1¼-acre plot, Nairobi, (2) plot, Muthaiga, and (3) £6,000 investment in Kiama Estate, Thika.)

The list and the Secretary of State's minutes are included in Despatch 283 of 9/3/1922, Governor to Secretary of State, CO 533/276 and are mentioned by Clayton and Savage (1974, p. 154).

replacement, an attendant effect of Africanisation.

We have demonstrated the basis of the difference between the value of labour power specific to a position and the value of labour power which is specific to different fractions of a class where those fractions derive from different modes of production. European individuals were recruited into the employ of the state at wages, containing both the components of revenue and the value of labour power, pertaining to the conditions of a relatively advanced capitalist mode of production. African individuals, recruited at the same basic level of wages in the late 1950s and early 1960s, maintained households as units of production, deriving from the residual conditions which reproduced the relations of production of a precapitalist mode of production. We have shown how the revenue component within the wage is vitally expanded by the ability to reproduce necessary means of subsistence from household production. The larger the proportion of consumption which is realised from household production, whether directly or indirectly through the sale of marketed commodities, the greater the expansion of revenue as a component of any given wage. It is this condition, residual for any capitalist mode of production, which is logically prior for the contemporary phenomenon of straddling.

The concept of the value of labour power assumes that the total sum of wages must be equal to the social value of labour power. If one set of wages is greater than the average value of labour power (less than normal or under-exploitation) then the corollary must be that there is another set of wages which is less than the average value of labour power (more than normal or super-exploitation). Positions occupied by unskilled workers, for example, give a set of wages which is lower than the average value of labour power. This powerful result has been employed to explain the emergence not only of a salariat but also of a labour aristocracy. It has been used to support the contention that more than averagely skilled workers, wherever they are, loot the wages of less than averagely skilled workers.¹⁵

Swainson also mentions the early phenomenon of straddling:-

If ... settlers /who established in trade, small-scale servicing, property development before World War I/ were not engaged in farming full time, they were all engaged in some kind of profession, which they used as a base for accumulation. These were quite varied -- accountants, solicitors, jewellers, engineers, architects and so on. (1976, p. 11)

15. The arguments which give rise to this notion of a labour aristocracy and a cursory critique of the arguments are to be found in Rosenberg (1977) and Wolpe (1976).

Such a supposition rests upon relations of distribution and not of production. As relations of distribution appear at the surface of the exchange of commodities, including labour power, the effect of distribution is emotive. Distribution is emotive because the surface of exchange relations is immediately apparent. Individuals occupying unskilled wage labour positions are able to perceive that the higher wages, wages obtained by clerks, artisans, teachers, are an immediate consequence of education and training. So, by evoking the cause of expanded education and training, unskilled wage workers seek to eliminate the apparent cause of loot and to equalise wages, to fulfil the equality between the sum of wages and the social value of labour power.

Now, this action upon the relations of distribution has a powerful effect upon the relations of production because by incorporating education and training into the necessary means of subsistence, at any given average productivity of labour, the average value of labour power is increased. To counteract this increase, average productivity must be increased to lower the value of the higher mass of necessary means of subsistence. That change in productivity can only be effected at the level of relations of production.

We show one powerful instance of evocation, from the relations of distribution, material to the period and to the issue of straddling.¹⁶

Before 1911, Christian missions were the educating agents without government assistance. Between 1911 and 1920 the colonial government subsidised missions on the basis of passes obtained by pupils in tests. Thereafter this system was abandoned and a grants-in-aid system was adapted. This change arose out of the demand for education in Central and Nyanza Provinces, a demand which could not be catered for by mission societies. It was accepted that the 'Government should no longer be regarded as assisting the Missions: the Missions should be regarded as lightening the task of Government in the work of education and the major portion of the cost of education should be borne by Government.' (Kenya Colony and Protectorate, Education Department, 1925, p. 3)

Education, financed by missions and state subventions, was free until the mid 1920s when the increased demand for education could not be catered for from these sources. From 1925, the Local Native Authorities imposed taxes for the expansion of educational opportunities. The demand for education in the late 1920s and early 1930s was a result of the positions of the salariat in the colony - positions which produced revenue for accumulation in private

16. All the sources for the material presented in the case of Central Province in the 1920s and 1930s are drawn from work in Nyeri and Kiambu Districts; sources are both archival and oral.

enterprise. The effect of the possibilities for accumulation, generated by the revenue from the higher wage positions, demonstrably created a general clamour for education, a clamour which was strongly expressed in the Local Native Councils and by the Independent Schools movement. This clamour was made manifest by the withdrawal of unskilled workers from wage labour into places secured by the expansion of formal education.

The expansion of educational opportunities, now not free, was not accompanied by a corresponding expansion in numbers of positions which produced revenue. Without occupying positions, the cadres of educated semi-skilled and skilled possessing a value of labour power specific to the higher wage positions were forced to adapt to lower-wage unskilled labour. The unemployment among the educated has its roots in the dynamics of expansion of educational places without a corresponding expansion in number of high-wage positions.

The process of adaption was not automatic or devoid of the demonstration of straddling: would-be clerks and artisans established themselves in petty trade, a form of merchant capital which expressed the quintessence of perfect competition. No one trader in any sector of trade could obtain revenue which would permit the accumulation of capital. Being unprotected by state regulation, and from 1935 actually extinguished by state regulation, the cadres were forced out of petty trade into the ranks of estate agriculture and domestic wage labour. The military positions which became available during World War II rescued most of the educated from the traumatic experience of the middle 1930s.

Analyses resting upon the relations of distribution assume that the value of labour power is given, that there is only a redistribution of wages at a given average social value of labour power. In the attempt to explain the distribution of positions - which gives the sets of wages at rates more or less than the average value of labour power - these analyses have recourse to the ideological and political levels which govern, through the intervention of the state, the bias which discriminates for and against fragments of all classes.¹⁷ Relations of production are ignored.

17. See, for instance, Davies (1973). Wolpe (1976) comments on Davies: '... high wages are paid to white workers and low wages to black workers. More accurately, higher wages are paid to the former because lower wages are paid to the latter. The explanation for this differential wage structure is political.' (p. 207)

The political factors are intervention by the state which supports a colour bar, ineffective trade union and political organisation of black workers, the migratory labour system. As we shall see in the following section (on the labour aristocracy) very similar arguments are encountered in Kenya to account for wage disparities between different positions of workers now not so easily identified by the badge of race. A more indirect form of recognition is given by the form of capital, international or domestic, to which workers are subjected.

Later in this section, we shall show how the emergence of and limits to the process of straddling can only effectively be explained at the level of relations of production. It is at the level of relations of production that both position and the average value of labour power change - through a constant process of revaluation and devaluation. Before we can do this, we must account for the concept of relations of production within the transition between two modes of production.

The second difference between wages and the value of labour power arises from a break in the tendency for individual differences in the value of labour power to be eliminated by a tendency which draws all variations towards an average value of labour power.

The tendency is part of the formation of a capitalist mode of production. In the moment of subsumption of labour to capital, a moment which is realised by the coercion behind the division of labour and change in the productivity of labour, individual differences in labour power - in both production capacities and mass of necessary means of subsistence - converge towards a social average. The social average gives the average value of labour power.

Coercion is a condition established by the relations of production specific to a capitalist mode of production. The formal period of subsumption of labour to capital is marked by a separation of producers from the means of production. For without separation individual producers maintain a marked degree of relative autonomy or independence for the reproduction of necessary means of subsistence. It is the erosion of relative autonomy which forces commodity production through exchange on the basis of a disassociation between labour power (use value) and labour time (exchange value). The real period of subsumption of labour to capital is marked by an organisation of the means of production in conjunction with labour - the labour process - as a distinct form of organisation from that of the precapitalist mode of production.¹⁸ It is not merely that the technical division of labour (specialisation in and mechanisation of commodity production) is subordinate to the production of surplus value, but that the transformation of autonomous family to wage

¹⁸. The account of the difference between the two periods of subsumption is to be found in Carchedi (1975a) and Hirst (1975).

labour, separated from its means of production, is brought about by the development of capitalism.

The distinction between the two periods is necessary to account not only for the accelerated equalisation of individual values of labour power during the real period of subsumption. It is necessary to account for a distinct historical period, from the 1940s, which has been characterised by the penetration of international capital in Kenya.

Implanted estate capital promoted the flow of migratory labour at wages lower than the value of labour power. The formation of estate capital rested upon the separation of producers from their means of production, but maintained the relative autonomy of direct production for household consumption. In contrast, it has been the force of penetration of international capital which has attempted to break relative autonomy by ensuring that household producers reproduce labour power as a commodity through marketed production and not as producers through the direct consumption of household production. (See the essay on household production.)

But what is specific to our purpose is the way in which the formation of indigenous capital has been inserted into the break between the two periods. It was the unrelenting political opposition of indigenous capital to the implantation of estate capital which gave effect to the political change accompanying the penetration of international capital and the disestablishment of implanted capital. The contemporary forms of indigenous capital have been generated as much by the political experience of the colonial period as by the passages through which the predominance of international capital over production was secured. In this sense, the hegemonic class of the post-colonial state is the class incorporated out of indigenous capital. As such, the residues of precapitalist relations of production have been carried forward. Were the passages clear and uncluttered - were the class an auxiliary class, a dependent bourgeoisie - then the predominance of international capital would necessarily mean a destruction of precapitalist relations, no household production and ultimately no straddling. It was the re-entrenched political superintendence of estate capital which prevented the expansion, during the 1940s, of trading enterprise and commodity production beyond the limits of circulating capital. Household production was maintained as a necessary adjunct to the limitation of expanded enterprise and commodity production. As the limits of expansion were removed by the political change of the 1950s and the 1960s, through the dislodging of the superintendence of estate capital, household production was expanded. In the essay on household production,

we show the effectivity of the Swynnerton Plan reforms of the 1950s, reforms which have underwritten the resilience of middle peasant production. It is this resilience which has accelerated the multiplication of trading enterprises and the transfer of fragments of estates and other forms of productive capital into the hands of indigenous capital.

Household production has, therefore, not lost its importance or the momentum it gives to the process of straddling. If the resilience of middle peasant production had not prevented the accumulation of land within the former reserves, where the relations of the precapitalist mode of production were not extinguished, then household production would not have been maintained as a source for reproducing revenue for investment, rather than for consumption.

Now, the break in the tendency for the equalisation of individual value of labour power arises from the residual traces of relations of production which are specific to a precapitalist mode of production. The relations which give rise to forms of appropriation (characterised as looting and raiding) of the surplus products of producers have been shown elsewhere (Cowen 1976). Migration of independent households, to superscribe separation from the means of production, provided for individual accumulation without the coercive conditions of separation of producers from the means of production. Implanted estate capital blocked migration of independent households and turned migration into a migration of labour power alone, which did not prevent separation from the means of production. In the same moment individual accumulation was stymied at the political level of state intervention by the employment of racial criteria to forestall the formation of indigenous capital.¹⁹

The relations of production of the precapitalist mode were not broken by changing the form of migration, the implantation of estate agriculture did not lead to dissipation of the process of migration, a process which rested upon the maintenance of the household as an economic unit of production. Nor, moreover, was the base of individual accumulation destroyed. The precapitalist class of primitive accumulators were only extinguished by the transformation of the base of accumulation. The positions of clerks, artisans, teachers provided

19. In most of the past writing, whether of the nationalist type of the early 1960s or of the radical, left-wing populism of the late 1960s and early 1970s, a direct association has been made between racial prohibitions (prohibitions on African production) and peasant production (African producers). We have tried to show that the prohibitions were directed to a large extent at indigenous forms of capital. In the earlier writings, of course, no recognition was given to the formation of indigenous capital. See Cowen (1974a, 1975, 1976).

finance for the employment of wage labour to expand commodity production. Finance was provided out of revenue obtained from the wages of these positions because households were maintained as economic units of production. Household production reproduced the necessary means of subsistence no less than wages from permanent employment in state apparatuses.²⁰

It is the maintenance of household production which accounts for the relatively short periods of engagement in permanent employment by individuals occupying relatively high wage positions. During the 1920s and 1930s, a short spurt of wage employment realised revenue and finance to set both trading enterprise and expanded commodity production in motion.

Expansion and Movement of Positions

The movement of positions is an attendant movement which has accompanied an intense intervention of international capital at the level of production relations. From the late 1930s and the 1940s, international capital - productive and not merely commercial capital - established a pre-eminent presence within all sectors of production. The transition to the post-colonial state coincided with the rejigging and extension of state apparatuses into the sphere of production, a logical precondition for the production of relative surplus value and a historical result of the international restructuring of productive capital.²¹ A restructuring of productive capital in the post-war period was

20. From budget data, compiled for Nyeri District in Central Province, it can readily be seen that the proportion of consumption directly consumed from household production is significantly greater for the largest holdings (of more than seven acres and including those with one or more members occupying a position within state apparatuses):-

Proportion (%) of food consumed from direct production.
(Magutu Location, 1971/2, 100 households)

All Households	Agricultural Workers' Households	Largest Holdings (7 acres +)
60-75%	40%	60%

21. The theory accounting for and articulating the contemporary period of finance capital is extremely weak or non-existent. We do not know whether the post-war flows of international finance coupled with the insertion of the relation of finance into production, through the agency of state apparatuses, represents extensions and qualifications of the theory of value. It may well be that attempts to extend and qualify the theory will necessarily entail a fracture of the theory itself.

facilitated, if not necessitated, by the contemporary forms of finance capital - the World Bank and all nationally based development agencies. In Kenya, the rejigging of state apparatuses and the formation of parastatal authorities was underwritten by international flows of finance. The exercise of control and surveillance over production, the forcing of change in the productivity of labour and thereby in the value of labour power, is not within the immediate purview of productive capital. Control and surveillance are mediated by state apparatuses.

The effectivity of mediation has been the expansion and revaluation of positions within state apparatuses and an alignment of these positions towards production. At present, it is within agriculture that this is most clearly to be seen (c.f. Cowen 1975 and Swainson 1975).

The restructuring of agricultural production in the post-war period, a restructuring that was only accelerated by the Swynnerton Plan reforms of the 1950s and early 1960s, was conditioned by the expansion of technical positions within the Ministry of Agriculture and within newly formed authorities (of which the Kenya Tea Development Authority is the most obvious). Positions at all levels within the hierarchy were now less administrative, less concerned with the regulation of marketing and the supervision of production. Positions now became more technical and more productive, more ingrained in both the production and circulation of commodities.

Expansion in Positions within the State Apparatuses.

As Table 1 shows, since 1945 the proportion of all enumerated workers within the employ of the state has less than doubled while the number of personnel the civil service designated as administrative, technical or executive employees has increased five-fold.²² It is very likely, therefore, that the proportion of all personnel occupying positions which embody control and surveillance has markedly increased in the post-war period.²³

22. It is extremely difficult for the period before 1963 to disassociate the numbers of personnel employed in the Kenya government civil service from the numbers employed in parastatal and East African apparatuses. In principle, it is possible to do so only by compiling a series from primary sources (staff lists) rather than by rearranging secondary sources (statistical bulletins and staff lists).

Enumerated workers are all workers employed in enterprises employing more than five workers. The proportion of all workers employed (whether enumerated or not) within the public sector is therefore overstated.

23. We have roughly estimated that the proportion of personnel designated as administrative, technical and executive has increased three-fold since 1945.

Table 1. Employment in the public sector.

Year	Proportion (%) of All Enumerated Workers Employed ^b in the Public Sector	Numbers of Civil Service Personnel: ^a	
		Designated Administrative and Technical ^c	Designated High and Middle Level
1945	22.0 ^d	430	1,630 ^e
1949	24.5	620	3,640
1953	27.0	960	3,640
1957	27.2	1,420	5,650
1961	28.3	1,600	6,000
1965	32.3	1,831	5,776 ^f
1969	37.8	3,134	9,655 ^f

- Notes:
- Because of inconsistencies between the enumerations of the Kenya Government and the former East African Community, it is not possible to give designated personnel as a proportion of all public sector workers.
 - Public sector workers include all workers employed in central and local government, parastatal bodies and all former East African institutions and corporations.
 - 'Administrative and technical' refers to super scale, lower super scale, administrative, medical and scientific extension grades within, not the public sector as a whole, but the Kenya Government civil service.
 - 1946 proportion.
 - High and middle level employees include administrative and technical grades and executive officer (G1 - G5) grades.
 - 1970 number.

Sources: East African Statistical Department, Quarterly Economic and Statistical Bulletin, 26 December 1974; Kenya, Statistical Abstract, 1959, 1963, 1974; Kenya, Staff List, 1945-1970; Ministry of Labour, Annual Report, 1963-67.

Now, while the increase in the proportion of all workers employed by the state has been more marked in the post-colonial period, the rate of increase of positions embodying control and surveillance was greater during the late colonial period, 1945-1961. Again we can emphasise that the extension and rejigging of state apparatuses, which provided the expansion in positions of control and surveillance, was as much an aspect of the late colonial state as of the post-colonial state.

A far more acute and specific feature of the post-colonial state is the expansion of positions which are attendant upon expressly political relations superimposed upon, but giving effect to, changes in the processes

of production.²⁴ Again, the most obvious effect can be shown in the area of education and training.

The employment of teachers now accounts for 48 per cent of all personnel employed by the state. The rate of increase in the employment of teachers has outstepped any other rate of increase for any other cadre of personnel.²⁵ And, for teachers, straddling is now by no means a regular pursuit, as we shall show in the essay on the labour aristocracy. The expansion in the number of teachers arises precisely from the expansion in the number of places in education, an expansion predicated by the political relations of the post-colonial state: an ingredient of the demand to 'correct' the discrimination and bias which underwrote and forestalled, as we have seen, the perception that skills and training supported the relatively high wage positions of skilled workers.

But now the effect of expanded education places, unlike the case in the 1930s, has a corollary: that positions in employment be made available for individuals with education and training. And so Africanisation was achieved. Absorbed as personnel within state apparatuses, independently of any re-alignment of state apparatuses towards production processes, the growth of the proportion of all workers employed under the direction of state apparatuses is a specific and transitory feature of the post-colonial period.

24.	Absolute (%) change:	
	<u>1945-1953</u>	<u>1961-1969</u>
Proportion of Workers in State Employment	22%	33%
Number of Administrative and Technical Personnel	123%	95%
Number of High and Middle Level Personnel	123%	60%
Number of High and Middle Level Personnel	123%	60%

Source: Table 1.

25. Between 1946 and 1974, the number of personnel in the public sector (Kenya government, East African Community organisations and parastatals) increased at an annual average rate of 4.6 per cent, while the number of teachers increased at a rate of 9.8 per cent per year. Between 1946 and 1957, teachers made up 7 per cent of all public sector personnel. Thereafter, the proportion of teachers increased from 10 per cent (1958) to 22 per cent (1974) of all personnel.

With personnel occupying the positions of white collar workers, but now without obtaining an element of revenue from the wages specific to these positions, attempts to engage in straddling are cursory and minimal. As we shall see in the next essay, it is the increase in the value of labour power, an increase which is maintained by widening the range of necessary means of subsistence, which precludes any self-induced attempt to widen the component of revenue obtained from the wages specific to these positions. Straddling, therefore, is inseparable from the relations which have produced a reformation of state apparatuses, a reformation which has been inserted between two periods of capital.

Conclusions

Now we may note a fundamental contradiction between two tendencies. Positions have been expanded within state apparatuses to secure changes in the processes of commodity production. Positions of control and surveillance have been occupied by individuals who have engendered the expansion of private enterprise. Enterprise, primarily within the area of circulating rather than productive capital (commercial, not industrial), although expanded through straddling, is actually least subject to the control of state apparatuses. Control, exercised through the intervention of state apparatuses, has supported the expansion in the positions which give rise to straddling between permanent employment and accumulation in private enterprise. Yet it is commercial enterprise within the sphere of circulating capital which is most subject to the competition between capitals. The rapid multiplication of enterprises within the areas of trade and transport, as well as the investment of finance in land and real estate, have given the most pronounced and specific features to the recent period of the formation of domestic capital.²⁶

The regulation of competition by instruments of state administration is not of the same order of intervention as control and surveillance over production processes by state apparatuses. Indeed, the strengthening of control and surveillance has been accompanied by a weakening of the regulation of competition between enterprises. From the 1920s to the late colonial period the most regular form of state intervention was to segment the circulation of commodities. Through the demarcation, licensing and standardising of

26. This process has been termed the Africanisation of commerce and industry and has involved eviction of non-citizen businessmen through licensing mechanisms (through the Trade Licensing Act, the Transport Licensing Board and other regulatory institutions).

enterprises, invariably upon racial and ethnic criteria, the multiplication of enterprises was constrained. By regulating the formation of enterprises, competition was confined since it is the force of multiplication which acts to compress the force of expansion of any one enterprise. It is the force of expansion of commercial capitals beyond the confines of capital in circulation and into the sphere of productive capital which has underpinned the formation of domestic capital.

In the post-colonial period, instruments of regulation of competition have been employed to eclipse segmentation and to stop the protection of commercial capitals in preserves hitherto segmented by racial and ethnic criteria. The same instruments, served by the same criteria, are now applied to dislodge enterprises of non-African origin, and the force of multiplication of enterprises is no longer constrained but, on the contrary, is aided and abetted.

Straddling is thus part of the unfettered multiplication of commercial enterprise. Investment in bars and hotels, vehicles and shops by individuals in permanent employment is constrained by the force of competition within the sphere of capital in circulation. Expansion of any one enterprise is constrained by the multiplication of enterprises which is permitted by straddling - from positions of permanent employment.

There is one sense in which the limits of straddling are set by political relations which by ending the segmentation of commercial capitals have permitted the multiplication of enterprises and the contemporary period of straddling. A definite difference has arisen, separating the formation of a hegemonic class within the power bloc of the state from the formation of a petit bourgeoisie. This difference stems from straddling, subject to the constraint of competition of capital in circulation. It is the ability to transcend the limits of circulating capital, to transform the basis of accumulation from that of commercial enterprise to that of industrial capital. It remains unclear how this difference arises and is articulated, what determines the transition beyond the limits of circulating capital. There is little doubt, however, that this difference has both maintained and limited straddling.

Straddling is maintained because the limited growth of commercial enterprise, for any one enterprise or within a range of enterprises, has not permitted state employed personnel to leave permanent employment. It is the hope of leaving employment which has provided a persistent focus for the coercion behind straddling. But, the constraint on the growth of finance realised from commercial enterprise has been accompanied by a widening of the

necessary means of subsistence; permanent employment is thus necessary to provide revenue for both consumption and investment in commercial enterprise.

During the 1920s and 1930s engagement in employment, in positions which provided for straddling, was short, spasmodic and perfunctory. Now such engagement is relatively extended but the hope of leaving permanent employment remains. The imaginary relation between this experience of employment and the hope of breaking with any form of wage labour creates a profound tension. The tension, whether at the political or ideological levels, only deepens the wedge between a petit bourgeoisie and a hegemonic class which no longer needs to reserve places in permanent employment. Opposition to capital from a place which splices permanent employment with commercial enterprise is the order of the day.

Straddling is limited because it is now the interpenetration between international and domestic fractions of capital which carries forward positions of control and surveillance within state apparatuses. There is no longer any simple disassociation between the economic passages of the penetration of international capital and the political encumbrances of a state which deftly shifts the alignment of apparatuses towards changes in production processes. State apparatuses are subject to two movements: the extension of the multiplication of enterprises within the sphere of circulating capital and the concentration of indigenous capital within the sphere of productive capital.

It is likely, given the recent disposition of political relations which maintain but confine the inclusion of the petit bourgeoisie in state apparatuses, that the second movement is preponderant. Vestiges of the political necessity to propel the multiplication of enterprises continue to linger. But it is the increasing concentration of indigenous capital within the sphere of productive capital which colours the positions of control and surveillance within state apparatuses. And those positions are less likely, under such conditions, to be reproduced at the behest of political alliances which impede the restructuring of productive capital through state apparatuses.

As Carchedi and others have shown, erosion of control and surveillance is part of the inherent tendency within the capitalist mode of production to reduce sources of revenue which are not related and not necessary to reproduce the means of subsistence. The inherent tendency is that which increases the proportion of surplus value (valorised exchange value which reproduces the means of production) to variable capital (exchange value which reproduces the means of subsistence).

Revenue, from the standpoint of personnel, is not characterised as unproductive consumption. As control and surveillance are eroded, so also is the component of revenue reduced. Any ability to reproduce means of subsistence from the acquisition of means of production, by engagement in permanent employment, is correspondingly weakened. It is the elimination of revenue which marks the limit of straddling, the willingness and ability to engage in enterprise from a position of permanent employment.

Appendix: The Evolution of Regulations Governing Acquisition of Private Property by Public Servants, 1922-1971

1922

Regulation 285. (i) Salaried public officers, whose remuneration is fixed on the assumption that their whole time is at the disposal of the government, are prohibited from engaging in trade or employing themselves in any commercial or agricultural undertaking.

(ii) No public officer on leave of absence is permitted to accept any paid employment without previously obtaining the express sanction of the Secretary of State, or if his leave is spent in the colony, of the Governor.

(iii) No public officer is to undertake any private agency in any matter connected with exercise of his public duties.

Regulation 286. All salaried public officers, whether or not their whole time is at the disposal of the government, are prohibited from directly or indirectly making or holding any local investment, speculation in shares, or being connected with any company, occupation or undertaking, which might bring private interests into real or apparent conflict with their public duties, or in any way influence them in the discharge of their duties without previous permission of the Governor-in-council. (This also prohibited possessing private interests in Uganda and applied to officers' wives and families.) Officers owning land locally should not if possible be posted for service to the districts in which their land is situated.

Regulation 287. An officer having an interest in any commercial undertaking which transacts any business with a government department shall disclose the details of the particular transaction or transactions to the head of his department, and to any head of a department who may be the second party to the contract, the details of his interest in the transaction.

1931

Regulation 285 (i) became regulation 136 of 1931 which now stipulated three chief factors to be considered in deciding whether or not private employment could be undertaken by government officers. These were:-

- (a) Whether there were available in the colony private individuals capable of undertaking the particular work concerned,
- (b) Whether it was in the general public interest that a public officer should be allowed to take private employment, and
- (c) Whether the granting of a particular privilege could lead to a claim for similar treatment by other officers whom it might not be desirable to accord the privilege.

The Secretary of State could authorise the relaxation of regulation 286 of 1922 (137 of 1931) in particular cases, provided permission was given by the Governor-in-council and full particulars of the transactions were disclosed together with the nature of the pecuniary interest.

Regulation 138 of 1931 drew the attention of officers to section 93 of Ordinance No.1 of 1931 which prohibited public officers, civil or military, from having interests in prospecting rights or mining.

The practice of registering a mortgage in the name of the wife of an officer without the Governor's permission was given as an example of the direct violation of regulation 286 of 1922 (137 of 1931).

1948

The chief factors to be considered in deciding whether a public officer were to be allowed to take up private employment remained the same as in 1931.

The permission of the Governor-in-council was required if an officer were to have private business interests; otherwise it was prohibited.

An officer on appointment to public service was required to disclose to the Governor-in-council particulars of any investment or other interests. The Governor decided whether there was a conflict of interest between the officer's private affairs and public duties and if he so decided he could direct the officer to divest himself of such investments or interests.

1966

The regulations of 1966 remained very much those of 1948, with only one important amendment which relaxed the codes regulating the acquisition of private

interests by public servants. The 1966 amendment read:-

A Permanent Secretary is, however, authorized to approve the acquisition or holding of investments, or the purchase of land of less than 20 acres.

A Permanent Secretary should submit his application for the acquisition of land of any extent to the Permanent Secretary, Office of the President.

1971

The Ndegwa Commission recommended the abolition of the regulations which prohibited public servants from engaging in private enterprise. This was subsequently implemented.

Sources: Kenya Colony and Protectorate, Code of Regulations for Officers of the Government Service 1922, 1931, 1948; 'Ndegwa Report' 1971.

II. THE LABOUR ARISTOCRACY

According to the broad front of radical writings, it is the pervasive presence of international capital which accounts for the formation of a privileged fraction of workers who are designated as a labour aristocracy.²⁷ It is a remarkable feature of the current 'political economy of Kenya' vein of writing that, despite an explicit antagonism towards neo-classical theory, the radical writings have found a common point of reference with the results of neo-classical theory.

First, the subject of the bulk of recent economic research, conducted within a neo-classical framework, has been concerned with the relationships, as they are normally expressed, between changes in wages, productivity and techniques of production within production processes. The results of the research have, with one or two dissenting notes of scepticism, proposed that:-

- (1) Money wages, since the mid 1950s, have increased at a faster rate than some warranted rate which would increase total employment. The increase in money wages has been set by market dislocations which are promoted by trade union organisation and the political intervention of state-imposed wage policies.
- (2) The presence of international capital is the source of the faster than warranted rate of increase in wages. This presence - at both technical (choice of techniques) and social (size of enterprises) levels - inhibits the adjustment of wage increases to an increase in employment which would eliminate unemployment.
- (3) Differences between actual and potential levels of employment have been soaked up by the growth of self-employed enterprise, whose revenue earning

27. The notion of a labour aristocracy in its contemporary usage was proposed by Arrighi (1973). All subsequent writing has lent heavily on this particular essay. See Rosenberg (1977). A typical application of the notion to Kenya holds that:-

...while in the colonial period the main social division lay between the stabilized white collar workers and a few artisans on the one hand and the unskilled and unstabilized on the other, by the late 1960's the main division was between a salariat and a 'labour aristocracy' of employed workers of all levels in the modern or 'formal' sector of the economy, and the semi- and un-employed urban and rural poor. (Stichter, 1976/7)

potential is debilitated by the over-arching presence of international capital.²⁸

28. The most striking result was that for various periods between 1955 and 1968, the measured growth in the average annual productivity of labour was less than the average annual growth in money wages. Since the growth of productivity was induced by the increase in money wages and not by a growth in output, the increase in money wages promoted the substitution of capital equipment for labour. Growth in money wages thus produced a growth in employment less than the growth in output. All the econometric work employs a generalised version (the constant elasticity of substitution-CES) of the Cobb-Douglas production function. It is held for time series data that the elasticity of substitution between capital and labour is less than unity, that the rise in real wages is compensated for by technical progress. For the general contention that money wages in the 1960s rose at a rate double that of the growth of GDP and at a rate double that of total agricultural income, see Ghai (1968).

For econometric work, see Harris and Todaro (1969), Senga (1973), Maitha (1973), and Mureithi (1974).

The notes of dissent have been:-

(1) King (1972), and later House and Rempel (1974), suggest that the positive relation between labour productivity and money wages (if any such positive relation could be obtained from aggregate data) could equally well be explained by the effect of productivity growth upon wages: The growth of money wages is a result of a growth of productivity.

(2) Pack (1972) and Weeks (1974) question the elasticity of substitution parameter in the production function. Capital deepening cannot be inferred from an estimated elasticity of substitution coefficient which holds a value less than unity: 'a mass of simple reorganisation improvements' (Pack 1972, p.17) would permit the growth of employment to fall behind the growth of output within a given level of capacity. The response to growth in money wages is not continuous and quantum leaps in money wages are required to induce mechanisation when excess capacity is eliminated and a new plant is installed. Given the well known problem of excess capacity in the manufacturing industry from the late 1960s, the growth in employment has been responsive to any given growth in output. Peripheral production processes (especially for larger sized plants of internationally based corporations) are, because of the absence of quantum leaps in money wages, marked by the absence of possible mechanisation.

(3) Stewart and Weeks (1975) propose that the change in real wages is directly determined by changes in money wage rates since prices of commodities produced by the non-modern sector (where international capital is not pre-eminent, and whose commodities form a predominant proportion of total household consumption) are not subject to changes in money wages transmitted from the modern sector. Now, the non-modern sector faces different production possibilities and input prices from the modern sector. The non-modern sector (an amalgamation of domestic capital formation and self-employed enterprise) employs relatively more labour at lower money wage rates. Whether prices are controlled or competitively determined within the money sector, after any given change in money wages within the modern sector, employment in the non-modern sector must rise relatively to employment in the modern sector.

Either, (a) relatively higher prices force a shift in consumption of modern sector workers to the relatively lower priced commodities produced in the non-modern sector; or (b) the higher wage bill (from lower money wage rates but higher employment levels) in the non-modern sector permits workers to spend a higher proportion of wages on non-modern sector commodities.

Thus only structural constraints logically prevent substitution of labour between the two sectors and prevent the expansion of domestic capital and self-employed enterprise to compensate for the restricted growth of employment within the modern sector.

Second, the radical tendencies, derived from a coupling of dependency theories with a neo-Ricardian critique of neo-classical theory, propose that:-

(1) The presence of international capital with its given set of technical relations (advanced country choice of techniques) necessarily produces commodities which require an increase in money wages to support their consumption (perverted tastes).

(2) The relatively fast rate of increase in money wages, faster than a warranted rate which would promote a more equitable distribution of incomes, arises not from a given increase in money wages, but from a given structure of techniques of production and commodities which are implanted by international capital. Thus, the excision of international capital would necessarily remove the techniques and commodities which support the formation of a privileged group of workers.²⁹

Why, therefore, do the notions of radicals, more often than not a mixture concocted from moral statement ('a just distribution' of wages and revenues) and banal description (the demonstration of the status of techniques of production - whether capital intensive or labour intensive), find common ground with neo-classical theory? Because, whether from the assumption of a given wage or from a given structure of technical relations of production, the results, both of economic research and radicalism, locate the estrangement of the labour aristocracy in the obnoxious effect of the intervention of international forms of capital.

We have quoted these results at length because the outpouring of work has infiltrated, if not commanded, common sense. That is not surprising. More surprising is the absence of any critique of these positions, particularly from a Ricardian standpoint to which the more astringent radicals should feel attuned. Surprising because enough material would be at hand to show the ambiguity of the concepts and quantitative notions of capital intensity and labour intensity. Thus, in the most banal way, it could be shown that capital intensive methods of production in manufacturing are not independent of labour intensive methods in agriculture. A neo-Ricardian critique treats capital as a physical commodity (and commodity-form) rather than as an instrument of production. The exchange of commodities (agricultural commodities for instruments of production as commodity forms) establishes prices, but prices cannot be determined independently from a rate of profit and no production process can be characterised as capital intensive rather than labour intensive. For such revealing insights we look in vain.

29. A perfectly clear recent statement of the case is to be found in Stewart (1976). More frequently, the I.L.O. report (1972) has been subject to criticism from the radical wing of the mission. The report, which embodies the eclectic mixing of neo-classical theory and the ad hoc radicalism of the dependency school is a sitting target for criticism, which, as might be expected, follows from two principles:-

1) The report is too heavily influenced by the economic research of the period based at the University of Nairobi's Institute for Development Studies, research which recommended merely the removal of market restrictions and price dislocations.

2) The mission had no notion of political representation, and its recommendations could not be implemented because the power bloc had no interest in doing so. If the 'elite' were motivated to follow the I.L.O. recommendations, it would be only to reinforce existing patterns of 'income distribution'.

We do not feel equipped to reply to these attacks. We only point out, as the most recent information shows (for instance, Table 3 below), that the authors of the report should not feel too ashamed. Their recommendations have, in wages policy at least, been implemented to a greater extent than the most avowed sceptics, in the far-off days of 1972, would have thought possible.

We have no intention here of undertaking a systematic critique of such propositions. We are only interested in the specific position of a fraction of workers employed as skilled workers - whether engaged in mental or manual labour - and supervisors and salesmen within the large-scale enterprises of international capital. It is these positions which are invariably characterised as petit bourgeois by the broad front of radical writings. The individuals occupying such positions, it is alleged, are privileged with respect to the relatively high wages and the conspicuous consumption patterns afforded by such wages. To protect their privilege, they reinforce the presence of international capital at the ideological and political levels.³⁰

Both radical notions and economic analysis support indigenisation, whether explicitly advocating the tempering of the ties with the 'international system' of capital or implicitly promoting the formation of domestic capital. For our particular case, the most common prescription for wages policy runs as follows.

30. Even given the particularly crude base/superstructure formulations which are applied to political representation and ideological formation, it is difficult to see how a direct correlation is so easily established between some rising relative standard of consumption and support for the entrenched presence of international capital:-

The labour aristocracy owes its very emergence and consolidation to a pattern of investment in which the international corporations play a leading role. The displacement costs involved in the disengagement from international capitalism therefore have to be borne mainly by the labour aristocracy itself. The most important consideration, however, concerns the reallocation of the surplus that is necessary for the mobilisation of the disguised saving potential of tropical Africa. Such a reallocation directly hits the labour aristocracy which has most benefited from the present pattern of growth without development, and whose consumption therefore has to be significantly curtailed. (Arrighi, 1973, p. 141)

Indeed, if union leadership is taken as the standard for measurement, it is likely that an opposite result would obtain: that, more often than not, any antipathy towards domestic forms of capital is overlaid by the manifest expression of the full gambit of 'dependency' sentiments - multinational super exploitation, employment of expatriate personnel and attendant bias and discrimination in conditions of employment (including housing) and inappropriate technology. Indeed, as the union leadership across all unions (see Sandbrook, 1975, p. 96) is recruited from skilled, clerical and professional workers (75% of 15 sampled unions, 1952-1969), any other expression would be surprising. As we shall see, these are the positions which have incurred the most pronounced devaluation of labour power in the post-war period. And it has been the penetration of international capital which has sustained the devaluation. A consequence of the devaluation of these positions is a weakening of the process of straddling between permanent employment and engagement in commercial enterprise. It might be expected that whatever the integration of union leaders into political factions which are formed upon the more normal variegations of petit bourgeoisie politics, the ideological formation of the cadre of leaders would be heavily weighted by resistance to a devaluation of positions. Such resistance takes the form of emphasising the place of commercial enterprise. So, as a recent study (itself coloured by the dispositions of the dependency tendency and not unsympathetic to union leadership) reveals, unions have 'not been opposed to the formation of an African petty capitalist bourgeoisie class'. (Leitner, 1976, p. 191)

International capital disturbs the harmony between domestic capital and labour, a harmony which would ensure full employment and at wage levels which would ensure parity between wage workers and peasant households. The source of friction is the willingness and ability of international capital to spark off wage increases which are demanded by relatively strong unions, predominant within those sectors where international capital is pre-eminent. From the wage increases sparked off by the higher average productivity per worker employed within the enterprises of international capital, wage increases are transmitted to other sectors, embracing a lower proportion of skilled workers and a lower average productivity per worker. It is to afford protection to sectors of lower average productivity per worker that the rate of increase of money wages must be contained at the source where wage increases are sparked off.³¹

It is not surprising, therefore, to find that such prescriptions are pursued vigorously by the application of state policy. Take the wage guidelines issued by the Ministry of Finance and Planning to the Industrial Court in August 1973. The period between 1973 and 1975 has been marked by a downing in real wages for all fractions of workers, whether skilled or unskilled. The wage guidelines clearly stated that:-

31. For the pre-eminence of international capital within higher productivity sectors see footnote 6.

Of the writings concerned with the determination of money wages, one consistent, significant variable stands out - the measured ability to pay relatively higher wages, higher than that level of wages set by competitive conditions which would ensure that labour is employed only at its given supply price. Many factors are then enumerated to explain why the ability to pay, determined by oligopolistic conditions afforded to subsidiaries of international corporations, is translated into a desire to pay wages higher than the level set by competitive conditions.

Some factors are trivial, such as that corporations are afforded political protection by virtue of their desired capacity to improve workers conditions of employment. Other factors are more serious, such as that the degree of unionisation and thereby the strength of unions is greatest within those sectors where international capital is pre-eminent. The most extreme case is the Plantation and Agricultural Workers Union with 20 per cent of its membership in one branch, Kericho, the Centre of Brooke Bond's tea estates. But, as it is pointed out, no causality can be established between the degree of unionisation and the rate of increase in money wages because it could equally well be held that unionisation is a product of large-scale production, where international capital is pre-eminent.

Again, we find no arguments dealing with the question from the more revealing vantage points of productivity (and not in the simple sense that higher than average wages squeeze out more labour intensity and support less labour turnover) and underconsumption theory.

Whatever the case for and whatever the form of causation behind the payment of higher than average money wages, it is clear that the chains - linking unionisation, degree of monopoly, divergences between negotiated and actual wage levels and their rates of increase - are broken by the political power possessed by the formation of indigenous capital. Any subsequent work should start from this particular premise. See House and Rempel (1974b), (1975a) and (1975b); Hunter (1969); and Sandbrook (1975), p. 72.

Priority in the allocation of awards should be given to lower paid workers provided this does not cause either a contraction in the opportunities for employment of unskilled labour or a decline in the incentives for workers to improve the levels of their work skills by training. (Kenya, Ministry of Finance and Planning, 1973)

The guidelines rule out the use of productivity increases to justify wage increases and ensure that wage increases are inversely proportional to the initial or given wage level. Thus in the 1976 guidelines, while wage increases should compensate for cost of living increases, the rate of increase should decline progressively as a percentage of wages for those in higher paid groups.³²

During the period 1970-1975, a period which saw the application of the wage guidelines, the wages of unskilled and semi-skilled workers showed the highest annual average rate of increase. It is the wages of skilled workers, as revealed by wage awards made by the Industrial Court and particularly since the application of wage guidelines, which have shown the slowest rate of increase. When it is reckoned that the consumer price index for this fraction of workers, skilled and/or supervisory, has increased at an annual average rate of 10.4 per cent over the period, it is most likely that the real wages of skilled workers have fallen sharply, more so than for unskilled workers and as much as for semi-skilled workers.³³

Table 2. Average rate of increase in money wages (from industrial court wage awards), 1970-75 (%).

Grade	1970	1971	1972	1973	1974	1975	1970-1975
I (< 500 Shs p.m.) ^a	7.9	10.5	13.1	6.5	10.4	16.9	10.9
II (501-1000 Shs p.m.) ^b	5.3	4.9	-	2.5	10.4	12.9	6.0
III (> 1001 Shs p.m.) ^c	6.1	5.0	-	14.0	10.0	7.8	7.2

a. Grade I: predominantly unskilled and semi-skilled labour and some groups of skilled staff.

b. Grade II: Long-service skilled labour and clerical staff.

c. Grade III: Mainly long-service clerical staff and supervisory staff.

Sources: Industrial Court awards calculated from wage awards for the period 1970-75 as given in the Kenya Gazette, 1970-75; Daily Nation and The Standard (Nairobi), 1974-1976.

32. Kenya, Ministry of Finance and Planning, 'Wage Guidelines' issued to the Industrial Court, February 1976, to replace those of 1974 and 1975.

Guidelines also maintain that wage workers should have no undue advantage over small holding households; that wage increases be spaced within a minimum limit of two years; that leapfrogging be avoided; and that wage increases should not make redundancies necessary.

As the appendix to this section shows, the 1973 guidelines possess a prestigious pre-history of recommendations, though the pre-1973 documents were not marked by a self-conscious sense of compulsion.

33. Average rate of increase in middle income index of consumer prices.

	1970 ^a	1971	1972	1973	1974	1975	1970-1975
Index (DEC)	94.8	100.8	105.0	118.4	134.7	159.6	
% Change ^b		6.3%	4.2%	12.8%	13.8%	18.5%	10.4%

a. Old weights adjusted for August 1971 = 100.

b. Absolute change, December-December, for each period.

Source: Kenya Statistical Digest, 1971-1976.

Strange as it may appear, such vigorous action in line with state directed policy, if quite consistent with the dictates arising from the old orthodoxies of neo-classical theory, is not entirely inconsistent with the notions of the broad front of radical writings, for one simple line pursued by some radicals is that the post-colonial state is subject to the hegemony of international capital.³⁴ There can be no other form of subjection, representation or formation because there can be no hegemonic class, or any other class, which is incorporated out of domestic capital. There is no differentiation of capital, no recognition of capitals of different periods and of different origins other than the most formal application of 'stages' which historically gives logical predominance to the most advanced formation of international capital.³⁵ And then it must follow that the state is ameliorating - at the level of relations of distribution - the immediate dislocations and disjunctions which arise from the effect of the limitless presence of international capital. One such dislocation is the formation of a labour aristocracy. We saw, in the previous section, how the issue of straddling can be perceived simply at the level of relations of distribution. Similarly, the formation of a labour aristocracy and attempts to act against that formation are also treated as a problem of distribution.

The action of state policy is not simply a task of amelioration, of regulating frictions which rub off from the cyclical dislocations and the specific disjunctions of a particular crisis of the most advanced forms of capital. Policy follows as such from the dictates which issue from a hegemonic class incorporated out of domestic capital, a form of capital of a quite different period. Domestic capital is inserted in sectors which contain the lowest proportion

34. A classical statement, made from a position which attempts to run counter to the more normal East African formulations, conjures up a collection of internal classes as commercial bourgeoisie, auxiliary bourgeoisie, humper bourgeoisie and the like:-

The actual dynamics of economic and social development ... is determined by the metropolitan bourgeoisie irrespective of the form in which it intervenes. The patterns of production, the relationship between industry and agriculture, the levels of technology, the social structure within the enterprises, the size and qualifications of the working class, ... are all subject to decisions made by the metropolitan bourgeoisie. (Von Freyhold, 1976)

35. 'Stages' formulations hold that the limits of the reproduction of one period of capital (merchant, industrial, finance capital) must necessarily give rise to the conditions for another period of capital. Therefore, the present period is characterised as a stage of finance capital and the conditions governing the reproduction of finance capital necessarily extinguish the conditions for the reproduction of logically and historically prior periods - merchant and industrial formation of capital.

of skilled workers and lower labour productivities.³⁶ It is these sectors which are most subject to the barriers of protection, barriers which are erected by state policy to fend off the force of competition from international forms of capital. And it is the labour aristocracy, the entrenched source of wage movements, which provides one major force behind the thrust of competition.

36. We should not be delayed by attempting to show that international capital is pre-eminent in sectors characterised by large-scale units of production where measured labour productivity (value added per worker) is greater than in sectors (or in the same sector for different industries) where measured labour productivity is less than the average productivity of labour for all sectors.

More worthy of attention are the following points:-

(i) Domestic capital, although increasingly interconnected with international capital at the level of production, has been formed out of relatively small-scale units of production in all sectors - agriculture, commercial and real estate enterprise, manufacturing. (ii) Within manufacturing, as the weight of recent work shows, domestic capital is entrenched within industries such as furniture, footwear, clothing, sawmills. Whereas measured labour productivity is lower than average productivity (for all industries) in these particular industries, the ratio of specific industry productivity to average (aggregate) productivity is lower than the ratio of specific industry per worker wage costs to average per worker wage costs for all industries.

From the 1969 Surveys of Industrial Production, Porter (in a neglected piece of work) has tabulated the respective ratios:

	Specific/Aggregate Value added per worker	Specific/Aggregate Wage cost per worker
Furniture	0.67	0.89
Footwear, Clothing	0.64	0.73
Sawmills	0.31	0.41

Similar results were obtained by Bailey for firms employing less than 50 workers. Value added per worker was significantly less than the average value added per worker for all firms, but wage costs per worker were not significantly different (were equal) to average wage costs for all firms. If we could obtain similar information for estate agriculture, which cannot be done so readily, we imagine that a similar result would obtain.

(iii) The absolute level of money wages in manufacturing industries where domestic capital is entrenched approximates more closely to levels of money wages in estate agriculture rather than to corresponding wages within industries subject to relatively strong unions and Industrial Court awards. Take 1973, for instance:-

Mean estimated money wages (Sh p.m. actual rates)

	Unskilled	Skilled
Estate Agriculture	106	290
Small-scale Manufacturing	104	240
Industrial Court Awards	381	706

Sources: Cowen and Newman, forthcoming; Child, 1973, p. 21; Industrial Court judgments during 1973. Also see I.L.O., 1972, p. 74; and Johnson 1971, pp. 21-24.

Though incurring a relatively higher wages cost per unit of net output at a lower absolute level of money wages, the formation of domestic capital is hurt by the transmission of further increases in money wages (particularly in a period of falling real wages) from higher productivity sectors. (Child, 1973; Bailey, 1974, p. 35; Johnson, 1971; Porter, 1973, Appendix C)

A Historical Purview

The reduction in the dispersion of relative wages is not a product of a recent crisis of international capitals faced with the problems of market realisation and under-capacity utilisation. A sustained reduction in the dispersion of relative wages can be traced from the late 1940s.

Estate Agriculture Wages. One full series of money wage rates has been obtained for estate agriculture in central Kenya. The series overstates the dispersion of relative wages which could be inferred for manufacturing industry from estate agriculture because, while the level of the wage rates for unskilled workers in estate agriculture is lower than that level for unskilled workers in manufacturing, the wage rates of higher wage positions (artisans and supervisors) approximate more closely to corresponding positions within manufacturing.³⁷

Table 3. Ratio of relative wage rates (unskilled workers = 1.0) for estate agriculture in central Kenya, 1924-1974 (annual average).

<u>Years</u>	<u>Semi-Skilled</u>	<u>Artisan/Driver</u>	<u>Supervisor</u>
1924-29	2.0	2.3	4.1
1930-35	2.1	3.0	6.3
1935-41	2.0	11.4	9.7
1942-47	3.1	6.5	10.2
1948-53	3.3	5.5	9.2
1954-59	2.1	4.3	6.7
1960-65	1.9	4.1	6.4
1966-71	2.0	4.3	5.4
1972-74	1.8	3.7 ^a	4.6

a. Averaged over 1972-3.

Public Sector Wages. A second series of relative money wage rates, culled from rates paid to the teaching force and clerical workers employed by the state, shows a very similar result: a rapid and sustained reduction in the dispersion of relative wage rates over the past thirty years. The reduction in the dispersion has paralleled an equally well sustained set of statements emanating from salary reviews and commissions appointed to review wages and conditions of employment of state workers (see Appendix).

37. The ratio of relative wages was obtained by a series of money wages compiled by M. Cowen and J. Newman for the period 1924 to 1974. Both archival and oral sources were employed to compile the series for central Kenya. (Cowen and Newman, forthcoming)

Table 4. Ratio of relative wage rates (untrained C.P.E. teachers^a = 1.0) for the teaching force, 1948-1975 (annual average).

Years	U.T. K.J.S.E. ^b	P3 ^c	P1 ^c	Sl ^d	Graduates
1948-54 ^e	-	3.0	6.1	10.2	-
1955-62	1.5	1.2	2.5	5.5	-
1963-69	1.1	1.8	3.8	6.9	8.4
1970-75	1.1	2.0	3.2	5.4	6.7

- a. Primary teachers with eight years of primary schooling and no teacher training.
- b. Primary teachers with two years of secondary schooling and no teacher training.
- c. Primary teachers with teaching diplomas at different levels.
- d. Teachers with diplomas formerly in secondary schools, but now increasingly in primary schools.
- e. This period includes only teachers of African origin.

Sources: Lidbury Report, 1954; Pratt Commission, 1963; Report of the Salaries Review Commission, 1967; Teachers Service Commission Circular (Finance) No. 7 of 1969; Ndegwa Report, 1971; Teachers Service Commission Circular No. 7 of 1975.

In this case, the reduction in the dispersion of relative wages has been pronounced for personnel with higher levels of formal training. Indeed, the positions embodying higher education and degrees as skill requirements have suffered to a substantial degree from the reduced dispersion in wage rates.³⁸

However the reduced dispersion of relative wage rates appears at the level of relations of distribution, it is embedded within the general devaluation of positions, changes in the relation between collective capital and collective labour and changes in the average value of labour power.

38. More generally, the ratio of relative salary rates (subordinate staff = 1.0) for the whole Kenya government civil service (annual average):-

Years	Clerical	Executive/ Sub-Professional	Professional/ Administrative	Super Scale Administrative/ Professional
1949-53	9.0	17.6	18.8	61.1
1954-60	5.3	17.9	20.2	49.6
1961-64	2.8	10.5	12.4	27.4
1964-67	3.6	7.5	10.4	22.5
1967-71	2.6	5.1	11.4	24.5
1971-75	2.4	5.9	9.8	14.8
1975-76	2.1	4.7	7.4	14.2

Note: All rates are calculated from the minimum limit of each salary scale for each grade. Time periods are governed by the period of change in scales following the report of a salary review commission.

Sources: Lidbury Report, 1954; Flemming Report, 1960; Pratt Commission, 1963; Report of the Salaries Review Commission, 1967; Ndegwa Report, 1971; Kenya, Basic Salary Scales for the Kenya Civil Service, 1975.

Devaluation of Positions

World War II pushed up money wages for all workers, but most particularly for those workers - clerks, craftsmen, drivers - who were employed within ancillary units of the military. Evidence is overwhelming that the military faced an extreme shortage of labour power in those positions. It was the reserve army of semi-skilled workers, who had been forced into and out of petty trade in the interim between the Depression and 1940, who were withdrawn primarily from estate agriculture and into military service.³⁹ Military service produced a sudden change, not merely in the value of labour power specific to a particular position (training and skills required for the position), but in the average value of labour power. For at any given average productivity per worker (determining, as we have seen, necessary labour time), the value of labour power is changed by an increase in the mass of necessary means of subsistence. At no other time during the colonial period did the internationalisation of wants have so dramatic and demonstrable an effect upon changing patterns of consumption.⁴⁰

In the post-war period, at higher average values of labour power, the fragmentation of skilled labour positions accompanied industrialisation. Skilled craftsmen were replaced by workers performing semi-skilled tasks. This process has long been recognised as an attribute of the increased mechanisation of production processes. The introduction of machinery eradicates divergences in specific and individual skills of labour power and produces a convergence of individual attributes of labour towards a social average of labour power. (Marx, 1976, Chapter 15; Rubin, 1972, Chapters 14 and 15) It is the positions coordinating the employment of machines within the process of production which are revalued. New positions are created, attendant upon large-scale production, which unify the production and realisation of surplus value (marketing, personnel management) and obfuscate and camouflage the more general devaluation of positions within the production processes themselves.

39. Between 1939 and 1943 the money wage index for unskilled workers fell slightly from 15.5 to 13.1 (1971 = 100); the index for domestic workers (of whom most were employed in military units) rose from 8.3 to 16.7. Both archival and oral sources (from labour histories collected in Nyeri District) show a massive shift of workers from estate agriculture to ancillary occupations in the military.

40. It is from the war period that the consumption of beverages, cigarettes, non-khaki-drill clothing and shoes started to form a necessary part of workers' consumption. The experience of military service had an irredeemable effect on the general perception of what constituted necessary subsistence. Doubtless, mutterings were as prevalent then as now to the effect that such forms of consumption were conspicuous and unnecessary, out of tune with local and basic needs, a contaminated reflexion of western-style tastes and habits.

The devaluation of the positions of skilled craftsmen and artisans has accelerated from the period of the 1940s and 1950s. Unions, formed on the base of an Asian artisan working class before World War II, were to become more widely based in the post-war period. It is difficult not to see the growth of unionisation as a response to the devaluation of positions of skilled workers during a period in which the average value of labour power was rising more rapidly than the rate at which specific values of skilled labour power were falling.⁴¹

The higher average value of labour power at a constant level of labour productivity resulted from an increase in the mass of means of subsistence. Fragmentation of tasks and the devaluation of skilled labour positions reduced the rate of increase of money wages of skilled workers. The result, for the period culminating in the Mau Mau revolt, was a measured fall in real wages and a decrease in the value of wages.

1. A measured fall in real wages emerged from the post-war boom in commodity prices, particularly food prices, and food still accounted for between 50 and 60 per cent of workers' household budgets.⁴²

41. In 1944, there were only two registered trade unions, both resting upon a base of Asian artisan workers. Up to 1937, no predominantly African trade union had been formed; there had been one organisation, the Kenya African Teachers Union (formed in 1934) which was short lived. After 1936 the momentum of strike activity increased, both in the range of industries and in frequency. Ten strikes were recorded for the two years 1936 and 1937. The 1937 strike of Nairobi Quarry workers provoked the formation of the first African dominated union, the Stone Masons Committee, which was forced to disband in 1938.

It was the Mombasa general strike of 1939 and a subsequent spate of strikes in 1942 which forced the state to develop trade unions to ameliorate the employers' condition. As M. Singh has pointed out, it was the anarchic action of unskilled workers which gave employers difficulties when attempting to negotiate outside of any framework of workers' representation. In 1945 and 1946, the first autonomous unions - Kenya Houseboys Association, Nairobi African Taxi Drivers Union, Thika Native Motor Drivers Unions - were formed. See Singh, 1969, pp. 26-66, 103-117, 128-132; also Grillo, 1974, pp. 33-38.

42. Average annual changes in cost of living indices for:

	Unskilled Workers		'Middle Income Group'	
	1950	1971/2	1957/8	1971/2
	Urban Budget <u>Weights</u>	Rural <u>Weights</u>	Urban <u>Weights</u>	Rural <u>Weights</u>
1946-52	9.8%	9.8%	8.5%	10.0%
1953-63	1.6%	1.4%	1.8%	2.0%

Sources for construction of budget weights and indices are to be found in Cowen and Newman, forthcoming.

The 'Middle Income Group' referred until 1971 to those workers within the wage limits of Shs 330 - 1,250 per month, limits which included skilled workers and supervisory personnel; 1950 budget weights (derived from a Nairobi budget survey) gave 70 per cent as the proportion of household income expended on food. Maize, weighted as a price relative to the budgets of skilled workers and supervisory personnel, rose by 175 per cent between 1946 and 1952.

2. A decrease in the value of wages was registered by the stagnant rate of productivity increase within the sectors producing wage goods, particularly estate and smallholder agriculture.⁴³ As we show in the essay on household production, it was only the unrestrained intrusion of international capital, untrammelled by the political superintendence of estate capital, which forced out productivity change in agriculture. This intervention, in both estate and smallholder agriculture, ensured a decrease in the average value of labour power - at a given mass of means of subsistence - and established a floor which maintained the value of wages and broke the post-war fall in real wages.

The intervention of international capital was not secured smoothly. The shift in the balance of class forces away from the political superintendence of estate capital towards the formation of the indigenous class was no mechanical movement. Both the eclipsing of the political superintendence of estate capital and the transformation of state apparatuses were ensured by the trauma of the Mau Mau revolt.

Case Study: The Position of an Estate Agriculture Supervisor.⁴⁴ In the pre-war period, supervision, control and surveillance of unskilled workers was vested in the hands of a supervisor as much as the legal owner of the estate. The supervisor was not merely responsible for allocating tasks - he recruited workers and as the agent of discipline, he was instrumental in the firing of workers. Wage increases were determined more often than not by job switching. Individual workers, according to the general state of demand for agricultural wage labour, would demand an increase in the money wage after a specific period of employment (usually after each calendar year). The ultimate sanction was based upon the ability to leave the particular estate for another estate. Demands for wage increases were made through the supervisor.

During the late 1930s and the 1940s, money wages paid to supervisors increased very rapidly. As agents of control and surveillance, the wages obtained contained an element of revenue. Immersed in the management of the

43. Large farm censuses were suspended between 1938 and 1953. The Troup Report of 1953 stated that the attempt to mechanise mixed (cereal/livestock enterprise) estates had produced 'over mechanisation'. Whereas from the early 1950s the ratio between number of tractors and cultivated acreage remained constant, the tractor worker ratio rose. Estates employed equipment during a period of rapidly rising commodity prices to replace labour rather than to expand the area of cultivated land or to intensify production from an existing acreage. Moreover, prices of equipment rose more rapidly, according to Troup, than prices of outputs. (Troup Report, 1953, p.22; Statistical Abstracts, 1955-72)

44. All information used in the description of the estate agriculture supervisor was obtained from oral sources, compiled over 1971/2 in the course of work on labour histories in Nyeri District.

estate, and remaining in employment longer than other workers, supervisors received successive wage increases which increased the difference between the wage they obtained and the average value of labour power. Revenue, as in the more general case of straddling, was invested in commercial enterprise, usually on the estate - e.g., retail stores and purchasing the agricultural output of resident workers.

The supervisor's commanding position was broken by the changes in production relations which marked estate agriculture sporadically from the late 1940s, but extensively during the mid 1950s:

Particularly in plantation agriculture - tea, coffee, wattle - ownership passed on a substantial scale from individual settlers to corporate capitals, whether domestic or international. Managers replaced supervisors as the agents of control over the employment of labour - hiring, firing and the settlement of wage awards. On even medium sized estates (less than 2,000 acres) which remained under the ownership and control of individual settlers, managers, usually immigrants from Europe and Southern Africa, were employed in an intermediate position between owner and supervisor. As agents of control and surveillance, the position of the supervisor was eclipsed.

As mechanisation proceeded apace, particularly on mixed enterprise (cereal and livestock production) estates, semi-skilled workers came to form a larger proportion of the estate labour force. Mechanical methods of cultivation replaced the manual methods of labour gangs. As the coordinator of gang work, the supervisor became increasingly redundant.

Thus in terms of changes during the period in the relations of production (the transformation of ownership from individual to corporate capital) and changes in the form of labour processes (increased mechanisation) the position of supervisor came to be devalued.

It was from the intrusion of international capital that the change in both relations of production and in techniques of production brought about a change in the positions of the hitherto so-called privileged workers.

The case of the agricultural supervisor in estate agriculture is exemplary. No more appropriate archetype could be summoned to show the devaluation of a position which embraced the rights accruing from the possession of prerogatives of control and surveillance.

No other position was so engraved by the characteristics of a petit bourgeois class place: a harsh and severe individualism; an awareness of the material difference which separated the individual from other workers (and was

expressed by long periods of employment in one job at demonstrably higher wages than wages obtained by other workers); a social origin similar to that of other workers (supervisors were in no way scions of the pre-capitalist class of primitive accumulators); a recognition of the boundary which separated the individual as supervisor from the individual owner of the means of production.

Devaluation of the position was realised not by a change in state policy, nor by instruments which could correct frictions at the level of relations of distribution. Devaluation was realised by a change in the period of capital, a movement of a more advanced form of capital - changing the average value of labour power through the exploitation of relative surplus value - against a more backward form of implanted capital which did not possess the means to force change in the productivity of workers.

We mentioned that the evaluation of the positions of skilled manual workers - artisans, machine operators, drivers - proceeded apace within the manufacturing sectors of the international capitals. The fragmentation of skills has been adduced by evidence which has suggested that it is not the plants of international capitals which are characterised by higher than average technical capital/labour coefficients: manual labour is not replaced by instruments of production for ancillary operations (filling machines and packing products) of production processes.⁴⁵

The fragmentation of skills has expanded the positions of semi-skilled workers at a faster rate than both skilled and unskilled positions.⁴⁶ Such a

45. For the most succinct evidence, see Pack, 1972; and Hunter, 1969. Subsidiaries of multinational corporations 'do seem to have an inbuilt tendency to adopt advanced technology, especially when beginning new ventures (but adoption of advanced technology still tends to be accompanied by considerably greater use of labour than would be used with the same technology in a more developed country)' (Hunter, 1969, p. 125)

46. Numbers ('000) and changes in enumerated workers in all sectors.

	Unskilled	Semi-Skilled/Skilled ^a	Clerical Workers ^b	Supervisory ^c
1968	252	111	55	34
1970	238	122	74	44
1972	248	194	63	31
1974	321	164	72	33
Absolute Change (1968-74)	+27%	+48%	+31%	- 3%

a. It is apparent that the criteria employed by manpower surveys when differentiating semi-skilled from unskilled workers is both uneven between enterprises at any point in time and changes over time. It can be seen, by comparing 1972 and 1974, that some categories of higher skills have been shifted into the unskilled category. This statistical feature only emphasises our contention that skills are subject to a constant process of combination and fragmentation.

The distinction between higher and simple labour, 'skilled labour' and 'unskilled labour', rests in part on pure illusion or, to say the least, on distinctions that have long since ceased to be real, and survive only by

fragmentation of skills accompanies the more general tendency which attempts to obliterate differences in skills or, more acutely, to compress divergences in the specific value of labour power towards the more general change in the average value of labour power.

The more backward form of implanted capital and the more recent sprouting of domestic capital have attempted to maintain the pre-existing value of labour power at any given mass of means of subsistence. The more advanced form of international capital attempts to lower the value of labour power (increasing the productivity of workers) while bringing about a relatively higher level of subsistence deemed necessary for the reproduction of workers (including education and training).⁴⁷

Two sets of effects follow:

(i) The intervention of international capital has consistently acted to disqualify household consumption from direct household production, to reduce the proportion of consumption which comes from non-marketed output and to increase marketed or expanded consumption.

It is the difference between total consumption and consumption expended out of wages which accounts for the receipt of wages less than the value of labour power. It is the erosion of direct household consumption which forces up the payment of wages to the average value of labour power. It is also the erosion of direct household consumption which acts not only to eliminate sources of super-exploitation, the looting of the consumption fund of workers, but also the source of revenue, which under the wages greater than the value of labour power condition provides for straddling between permanent employment and accumulation. (See the essay on household production.)

(ii) A devaluation of one set of positions and creation of a new set of positions follows from the premise that international capital attempts to increase the average productivity of workers while forcing up the mass of subsistence necessary for the reproduction of workers. Expansion in education and training is both a

virtue of a traditional convention; and in part on the helpless condition of some sections of the working class, a condition that prevents them from exacting equally with the rest the value of their labour power. Accidental circumstances here play so great a part that these two forms of labour sometimes change places. (Marx, 1976, p. 305, f.n. 19)

b. Includes shop assistants, secretaries, telephone and machine operators.

c. Includes middle-level executives, technicians, works managers and general supervisory staff.

Aggregate statistics, of this type, provide little more than the barest form of illustration and should be treated as such.

47. Take any piece of radical writing and somewhere the contention will be made (and supported by varying degrees of proof) to the effect that the increase in subsistence (usually termed conspicuous consumption or consumption out of tune with basic/local needs) is transmitted by the intrusion of international capital. It would be quite unnecessary for us, and certainly superfluous from the standpoint of necessary labour time, to provide additional evidence.

determinant of and is determined by changes in productivity and the mass of necessary subsistence. An expansion of education (whether the proportion of workers entering the labour force after a period of training or the change, for some given proportion of workers, in the period of training) increases the value of labour power but not necessarily to a degree which is both necessary either to produce the means of subsistence of workers or to qualify workers for specific positions.

The expansion of education by the state is financed by an appropriation of surplus value (wherever that surplus value has been produced) from productive capital, whether international or domestic.⁴⁷ But the expansion of educational output does not necessarily fit the expansion of positions of employment, determined as much by productive capital as by the state.

A consequence of rising qualifications, without a necessarily corresponding increase in skills acquired, is that the average value of labour power is raised above the specific value of labour necessary for the reproduction of workers for specific positions. Thus it is the competition of workers for the lower value (lower than the average value of labour power) but higher paid positions (higher than unskilled wage positions) which forces wages below the average value of labour power. Where education output is greater than that level demanded by the existing positions, the continued expansion of education leads to both the devaluation of positions and the rising demand for formal certification. (See Kinyanjui and Shepard, 1972, pp 25-28; and I.L.O., 1972, pp. 233-252)

In this way a conflict emerges between the political relations supporting the formation of domestic capital and the more purely economic relations of production which have extended the intrusion of international capital. For, ingrained within the set of political relations is (as we have seen) the current of a historical imperative to expand the number of education places and positions, largely within state apparatuses.

Relations of production specify the reduction of socially necessary labour time to expand the production of surplus value. This reduction is achieved by reducing the surfeit of surplus value which supports, from the vantage point of production, unnecessary labour time. From the vantage point of production, the formation of domestic capital has depended less on the qualification of skill and more on the expansion of unskilled labour positions,

47. The origin of state revenue, employed for the financing of education, must ultimately be sought as an excision out of surplus value, as far as capital is concerned. See Fine and Harris, 1976a.

an increase in the mass of unqualified labour in agriculture and other sectors.⁴⁹

It is the intrusion of international capital which has produced both an increase in the average value of labour power (through the increase in means of subsistence) and a reduction in the same value through the fall in socially necessary labour time to produce the increased mass of means of subsistence). If the average value of labour power is to fall, then the reduction in socially necessary labour time must be greater than the increase in the mass of socially necessary consumption. The realisation of this condition is constrained by both the political relations which have supported the formation of domestic capital and the production processes subsumed under that formation.

This constraint produces conflict between the two forms of capital, a conflict over the appropriation of surplus value for skill qualification rather than for the simple expansion in education places. The conflict emerges also in the expansion of positions, skilled and unskilled, which is affected by and has an effect upon the valuation of positions, the specific value of labour power and wages obtained from those positions. That the state is able to discipline the payment of wages for skilled workers and supervisory personnel is a measure of the hegemony of the class which has been incorporated out of the formation of domestic capital. Discipline, in the form of wage guidelines enforced by the Industrial Court, has subjected the specific value of the labour power of skilled workers and supervisory personnel to a further spate of devaluation. And for any form of devaluation, there is a corresponding form of resistance.

It has often been noticed that a major proportion of disputes between unions and capitals devolve, not upon wages and non-direct money wage benefits, but upon dismissals of workers.⁵⁰ It has less often been noticed that the dismissals subject to dispute are of those workers who are incorporated as a new petit bourgeoisie or new middle class - foremen, inspectors, supervisors, salesmen, senior clerks.⁵¹ Again, the spate of dismissals are to be reckoned

49. We should note that, as the base of domestic capital accumulation has expanded beyond its narrower confines within agriculture and small-scale manufacturing into large-scale production, so has its concern for state expenditures on education become more pronounced. Nowadays, sermons damning education as a form of religious belief (the school door opening the world of universal bliss), urging the necessity for practical and not academic education and proposing reforms to meet these ends are more common than the exhortations of the previous era for education, pure and simple.

50. See Amsden 1971, p 76; Sandbrook 1975, pp.169-174. In 1962, a year which gave the largest number of strikes on record, 65 per cent of disputes were designated as arising from dismissals and victimisation; over the period July 1969 to August 1972, 68 per cent of disputes were so designated.

51. Most of the disputes which were brought to the Industrial Court from 1970 to 1975, other than those of wage increases, were cases of wrongful dismissal of this category of workers. A number of cases of this nature were brought to the Industrial Court from 1973 to 1975 by the Kenya Management Staff Association which represents middle-level management staff.

as part of the process of the devaluation of the positions, an erosion of the revenue component in the wages obtained from such positions consequent upon the disqualification of the surveillance and control which is attached to these positions.

Disqualification of control and surveillance has been accompanied by unionisation of these strata of workers. Indeed the specific issues of dismissals arise, more often than not, from the attempt to unionise against the policy of companies which regard the positions of the new middle class as those of collective capital (management) and not those of collective labour (production). The case of bank clerks exemplifies how disqualification of control and surveillance is compounded by the devaluation of positions inherent in a period which is marked by conflict between two forms of capital. In the case of bank clerks, the resistance to devaluation has taken the form of both unionisation and the expressed assertion of rank and file workers. It is also clear that the resistance is coloured by the mark of conflict between the two forms of capital.⁵² But unlike the case of the colonial period, it is the assurance of domestic capital, and not the decimation of implanted capital, which marks both the devaluation and resistance to devaluation.

The Devaluation of Positions - The Example of Bank Workers.⁵³ The struggle against devaluation of clerical worker positions in the banking industry has taken two forms:

(a) In the period between 1967 and 1971 the struggle for unionisation of workers who were designated by the Kenya Bankers (Employers) Association as supervisory staff, and

52. It should be noted that in the period between 1970 and 1975 most of the disputes regarding wage increases or wrongful dismissal brought to the Industrial Court were not argued on racial grounds.

53. Sources for this discussion are the Kenya Gazette, February 1970, November 1971, September 1974 and October 1975; Daily Nation, 28 July to 8 August and 6 September 1974, 7 January, 17-18 June and 4 August 1976; The Standard 30 July to 8 August 1974 and September 1974.

It should be emphasised, however, that the process of devaluation of positions is not limited to bank workers, but involves workers in other sectors. For instance, in 1969 the Kenya Union of Commercial Food and Allied Workers brought an action in the Industrial Court requesting a ruling on the issue of unionisation of 68 workers designated as supervisory staff by the British-American Tobacco Company (B.A.T.). The Court referred the matter to a committee which studied the issue and reported back to the Court in 1971. In May 1971, the Industrial Court ruled that 17 out of 34 positions which the Union wanted unionised were not unionisable. These were positions such as office superintendent, senior salesman, foreman, senior clerk in the accounts department and manufacturing assistant. Positions which were designated as unionisable were those of cashier, senior bookkeeper, assistant foreman and a wide range of senior clerical staff. A 1976 dispute between supervisors and Kenya Bus Services was also of this nature.

(b) Sustained action for wage increases led by shop stewards to offset devaluation of the value of labour power. This struggle culminated in strike action towards the end of 1974.

Unionisation of Supervisory Staff. In 1968/69, the Kenya Union of Commercial Food and Allied Workers, a union which represents workers in the banking industry, filed a dispute in the Industrial Court demanding that they should represent the category of workers designated as supervisors in the banks.

The dispute was referred to a joint committee of the Central Organisation of Trade Unions (COTU) and the Federation of Employers for discussion and definition of supervisory staff. The two parties failed to reach an agreement and the dispute was once again referred to the Industrial Court.

In 1970, the Industrial Court defined supervisory staff as:-

All those officers who supervise the work of others, who are responsible for the activities of a section of the Bank, who are required by management as part of their duties to make effective recommendations in connection with hiring, firing, promotion and disciplinary action and to whom subordinate staff would apply in the first instance for the remedy of grievances if in connection with the foregoing the exercise of such authority requires independent judgement.

The Industrial Court was required in November 1971 to rule on the designation of the staff to be termed supervisory, and thereby non-unionisable, according to the new designation. According to this designation, about 418 employees in three banks who were previously termed supervisory were now deemed unionisable, leaving 120 in the supervisory (and non-unionisable) category.

The Court was further required to make a ruling on the title to be given to the staff which were to be unionisable. The Kenya Bankers Association wanted this category of employees to be called 'Senior Clerks'. The Union strongly opposed this and suggested a number of names which suggested that these workers, although carrying out supervisory duties, were not part of management. One Union witness in this group stated that:-

He would not be happy to be called 'Senior Clerk' or 'Special Grade Clerk' and maintained that so long as the work 'Clerk' was retained, whatever job title is (to be) decided upon for the unionisable supervisors it would be damaging.

The Court accepted the Union's argument that the change of name from supervisor to clerk would create disaffection. Therefore, the Court ruled that this category of workers should be called Section Heads, and added:-

The Court feels that this job title would be consistent with the work that is being done by them and at the same time is sufficiently dignified to make them accept the change in their designation without bitter feelings.

The Action for Wage Increases. In July 1974 the All Bank Shopstewards Committee called a national strike of about 5,000 bank workers which lasted for three days from 29 July. The strike action was called by the shopstewards because the Kenya Bankers (Employers) Association refused to negotiate the workers' demand for a 20 per cent increase in wages to compensate for the rise in the cost of living.

The national leadership of the Kenya Union of Commercial Food and Allied Workers, to which bank workers belonged, denounced the strike and requested the workers to go back to work. The Union's attempt was reinforced by the Ministry of Labour which declared the strike illegal. At one meeting the General Secretary of the Union attempted to assert his authority over the bank workers but was shouted down and had to be rescued from the irate workers by the police. The shop stewards attending that meeting were arrested and subsequently charged for taking part in an unlawful strike.

When the Chairman of COTU intervened, the workers agreed to return to work. The strikers, who had received strong backing from some COTU leaders (and in particular the General Secretary), also received support from Members of Parliament. The 'return to work' formula was agreed upon by the Chairman of COTU, the Minister of Labour, the General Secretary of the Kenya Union of Commercial Food and Allied Workers and the Kenya Bankers Association. It was further agreed that, after the re-engagement of workers, there would be no victimisation and that the issue of wage increases would be dealt with by the Industrial Court.

A week after the workers went back, another strike was called, this time by the Union leadership, on the question of victimisation of 150 workers who had taken part in the strike. On 7 August 1974, workers from two banks in Nairobi came out on strike, but before the strike could spread, the employers agreed that there would be no victimisation of workers. The strike was called off. Meanwhile, the shop stewards passed resolutions calling for the resignation of the Minister of Labour and the Executive Officer of the Kenya Bankers Association, the release of arrested shop stewards and immediate talks to be held between the Union and the employers to discuss wage increases.

The last two demands were met when the Court case against shop stewards arrested during the strike was withdrawn. In September 1974 the bank workers were awarded a wage increase of 12.5 per cent back-dated to March 1974.

In October 1975, bank workers, through a dispute which was settled by an Industrial Court award, obtained wage increases from March 1975 as follows:-

a) Section Heads	15 per cent
b) Clerical Staff	17 per cent
c) Technical and Subordinate Staff	20 per cent

The Chairman of the All Banks Shopstewards Committee threatened industrial action in January 1976 in response to allegations of mass sacking of 200 bank workers after the July 1974 strike. The General Secretary of the Union and the Bankers Association refused to discuss the grievances raised by the shop stewards. The General Secretary also demanded that shop stewards inform the Union's head office of their intended actions before making these known to the press.

Devaluation in Labour Power and Privilege

In our essay on the salariat, we supposed that immediate limits to straddling were imposed by the elimination of the revenue element out of wages obtained from permanent employment. Any increase in the mass of necessary means of subsistence at a rate greater than the value of wages (determined by the level of productivity within wage goods production at any given level of real wages) would raise the value of labour power. It is this increase in the value of labour power which extinguishes the revenue component out of wages obtained from positions for which the specific value of labour power has been devalued over a sustained period of time.

The argument applies equally to the case of supervisory personnel and skilled workers. Straddling in the case of the state salariat, we mentioned, always contained the possibilities of expanding commercial enterprise in order to disengage from permanent employment. Straddling from the devalued positions of supervision and skilled labour power has not permitted such possibilities. Engagement in commercial enterprise has been an attempt to compensate for the devaluation of specific values of labour power as the average value of labour power has increased. Revenue from commercial enterprise counteracts and compensates for reduced revenue out of wages. Commercial enterprise is employed to reproduce the means of subsistence and not the means of accumulation.

The connotation of privilege, which has always upheld the characterisation of the labour aristocracy as a petit bourgeoisie, rests upon the notion of revenue, the element of wages which is greater than the average value of labour power. It is the inherent ambivalence within the notion of revenue (a notion which is as much historically as logically given) which permits relatively high wage positions to acquire qualitative characteristics which separate and distinguish workers occupying different wage positions. The characteristic of privilege is amplified when engagement in commercial enterprise is emphasised.

However, when it is realised that it is the secular devaluation of positions and not the simple relation of high wages which characterises these positions, then the connotation of privilege loses much of its ambivalence.

Appendix: Statements on the Dispersion of Relative Wages, 1960-1973

1960. In considering the subordinate service, we have thought it right ... to pay some regard to the claim that their pay ought to provide for some improvement in their standard of living. Workers at this level are in a process of changing their way of life by the purchase of other than the traditional foodstuffs, by the adoption of a European style of dress and by gradual absorption into fully urbanised communities. We accept that in rural areas an employee will still supplement his cash wage by produce grown on his land-holding, and that this will continue for many years to come; but for the larger towns we think it proper and natural that workers should increasingly look to the wages earned for the full support of themselves and their families. (Flemming Report, 1960, p.36, paragraph 35)

1963. The three Ministers interviewed ... stressed the need for narrowing of the gap between salaries paid at the subordinate service level and those paid above the clerical level. It was unanimously felt that an independent Kenya, no longer entitled to overseas assistance, would be unable to maintain salaries and conditions of service at the present rate. (Pratt Commission, 1963, p.3)

1964. A National Wages Policy Advisory Committee reported that wage increases should be permitted in accordance with productivity increases but should not increase unemployment. Redistribution of wages should accompany wage increases through restraint upon the rate of increase of wages for:-

1. 'middle grades of jobs', and
 2. '... where wage levels are already so far above the ordinary levels that /the higher wages/ have created what is virtually a privileged class of workers and have inspired unrealistic ambitions among the rest of the labour force'.
- (quoted in Leitner, 1976, pp. 129-132)

1967. The third criterion (for wage-setting) can be called 'equity of income distribution'. This has two aspects. It is argued first, that there should be equitable distribution of income between the rural non-wage-earning population and wage earners.... Secondly, within the wage sector, the 'gap' between incomes of those on the bottom of the skill ladder and those at the top, should not be 'too great'. (Kenya, Report of the Salaries Review Commission, 1967, p.6, paragraph 23)

1971. There are special considerations which have led us to make exceptional recommendations in relation to Group A (Subordinate staff) of the new salary structure, the lowest paid workers; the case for doing this emerges very clearly, in our view, from the chapter on the economic background. We consider that on grounds of social justice alone government has an obligation to raise the minimum level of salary applicable to its employees; in other words they should receive a wage which will allow them to live at a more socially acceptable standard for themselves and their families. (Ndegwa Report, 1971, p.51, paragraph 108)

1972. A national incomes policy should be formulated and implemented. It should include an overall limit for maximum increases in real wages per employee of 3 per cent per annum for persons earning less than £200 per annum. There should be no increases in salary scales for five years for persons earning more than £700 per annum; increases for workers earning between £200 and £700 per annum should be less than 3 per cent per annum and governed by considerations of equity, specific skill shortages and the need to eliminate anomalies. The Industrial Court should implement this policy and be given power to review the recommendations of minimum wage boards. (I.L.O., 1972, p. 25)

1973. As far as possible, priority in the allocation of awards should be given to lower paid workers provided this does not cause either contraction in the opportunities for the employment of general unskilled labour or a decline in the incentives for workers to improve the levels of their work skills by training. Reasonable differentials should be established to reward skills and training, particularly as regards manual and technical skills. (Kenya, Ministry of Finance and Planning, 'Guidelines for the Determination of Wage Awards', 1973, section (vi))

III. ON HOUSEHOLD PRODUCTION IN THE COUNTRYSIDE⁵⁴

Introduction

Perceptions of inequality in the countryside, particularly within smallholding agriculture, have gained a widespread currency. It is rare to find any study of the agrarian problem or any plan for the transformation of household production which does not reckon inequality as the problem.⁵⁵ Indeed, the impression that growth in household production means increased differentiation between households has entered into the realm of common sense. That such impressions accumulate from an experience of common sense is not particularly remarkable. Nor is it particularly remarkable that a focus upon the rural poor and the search for an equalisation of household revenues through commodity production growth should provide the pivot of prevailing World Bank and other plans to resuscitate and transform smallholding agriculture.⁵⁶ After all, the studies and plans are addressed to prevailing impressions and are deposited as correctives to the supposed sources of differentiation which produce the impressions.

54. This section is a slightly revised version of an earlier paper by M. Cov 'Notes on Capital, Class and Household Production'. Additional material from Muramba District is incorporated in the empirical formulations. We are grateful to M. Ngũgĩ who provided data for coffee production in Kandara Division.

55. Examples are voluminous. More recent studies are summarised in Heyer, M and Senga (1976). Also see Hunt (1975).

56. The clearest statement of World Bank plans is to be found in Yudelman (1974). The theory underpinning World Bank plans is stated in Chenery et al. (1974). A large proportion of the theory rests upon speculative projections of would-be simulated experiences of alternative distributions of holdings and outputs. The theory also provides for the prognoses of the I.L.O. report (1972).

No, far more remarkable is the presentation of the formal concept of redistribution with growth as some speculative vision of the intrinsic, if not mystical, qualities of household production which promote the potential for equality between producers. Populist orthodoxy possesses a particular vision of enhanced household production from a retracted capitalism in the countryside. It is, after all and according to the orthodoxy, the implantation of capital in the countryside which promotes differentiation and which contaminates the potential for equality between households within a household mode of production. Therefore, that which appears to be remarkable is a marriage between populist orthodoxy and the most advanced relation of capital, expressed by the embodiment of finance capital - the World Bank and attendant national organisations - in the countryside.

Our only concern in this essay is to show that, for one social formation in Central Province,⁵ the formal concept of redistribution with growth is not expressed by a speculative vision of enhanced household production, but is bound by the material expression of an enhanced presence of the advanced period of capital in the countryside.

Empirical formulations (part A) show that there is no direct association, even at the surface of commodity relations, between the effectivity of international capital and the formation of a capitalist class within smallholder agriculture. There is no sense in supposing that the earlier intervention of finance capital, in the form of the Swynnerton-type plans of the 1950s,⁵ has promoted and activated the formation of a capitalist class. We attempt to confront populist orthodoxy, to show that there is no collaboration between an indigenous formation of capital and an intervention of international capital. There is no correspondence between intervention/collaboration and the dispossession of households as economic units of production.

Central Province constitutes not only the geographical, but also the social spine of Kenya. It is the explanation of an exemplary experience of a particular area that we are concerned with, an area that has been subject to the emergence, implantation and intervention of different periods of capital. We are concerned with a particular problem - the effectivity of capital upon household production. The explanation does not encompass the general class attributes within the social formations of either Central Province or of Kenya as a whole. It will doubtless be argued that generalisations cannot proceed from a single case even two or more cases from a given area. If a concrete instance produces not a different experience, but a different perception and theory of that experience, then it is the theory which should be subject to criticism.

Extensive accounts of the Swynnerton plans are to be found in Sorrensen (1967) and in Smith (1976). Sorrensen has had a powerful influence on the general expression of accelerated differentiation within Central Province. The influence is unwarranted because he is not read carefully. In Chapter 8, for instance, he makes it clear, in his own language, that the plans have not provided for the growth of a 'middle class' but for a 'gentry' produced as much by straddling from positions of permanent employment as by the reforms of the period.

We also show (part C) that the formation of indigenous capital is trammelled by the interventions of international capital. The conditions for and effectivity of expanded household production derive not merely from the transition between two modes of production, but from different periods of capital. An indigenous class is not created or installed by the interventions of international capital. Rather, expanded household production has deflected the formation of indigenous capital. The limits of expanded household production (part D) are given by the formation of indigenous fractions of capital and can only be predicted by the limit of the reproduction of households which is subordinate to international capital.

Middle peasant production (part B) does not devolve upon the intrinsic qualities of any household mode of production, however much expanded commodity production is concentrated within the holdings of the middle peasantry and is centred upon family and not wage labour processes. At the surface of commodity relations concentration is represented by the formal attributes of a relatively low degree of differentiation (reduced inequality over time). Concentrations of production within the holdings of the middle peasantry are more marked in the cases of tea and coffee than in the case of milk production. Tea and coffee sales from households, unlike milk sales, are consigned to international markets. The form of expanded production is determined by the form in which households are subordinate to different fractions of capital in different periods of capitalism.

The marriage between populist orthodoxy and the advanced relation of international capital is not a simple expression of ideological convenience. It is to be construed as an exclusion of internal or domestic fractions of capital. Concepts of redistribution with growth are not addressed to peasant households but to the indigenous formation of capital. Radical attacks on institutions of finance capital and multinational corporations (the embodiments of productive capital) are now commonplace. More recently, the attacks have been extended to the prevailing World Bank plans. The plans, it is proposed, fulfill an ideological relation in binding the superintendence of finance capital, in the form of the World Bank, over productive capital, in the form of the corporations.⁵⁹ More generally, the radicals address themselves to the phenomena of exchange and ideological relations - to market fiddling and tricks and to speculative ranting.

59. A perfect example is in Feder (1976): 'But what /McNamara/ presents as a moral issues is in reality a hard-boiled business proposition: the expansion of capitalist agriculture in the small-holder sector for the benefit of the multinational corporations producing farm inputs.' (p. 538)

Radical attacks at the level of production relations represent capital as a homogeneous bloc: the exploitation of internal classes of capital is of no different order from the exploitation of the advanced relation of capital. The attacks are misconstrued and misplaced since they serve only to attack an international relation of capital, to fuel the places of internal fractions of capital. Presumably, that is not their intention.

A. Experience of Expanded Household Production, 1965-75

It can easily be shown that the effect of the interventions of finance capital, through state apparatuses, has been to reduce and not widen the formal or measured inequalities of revenues accruing to household producers.⁶⁰ Later we will show that the Swynnerton-type plans of the 1950s (see 'Swynnerton Plan', 1959) were framed to expand commodity production as a response to and not as an effect of the autonomous accumulation of an indigenous capitalist class. We will also show that the effect of expanded household production has been to forestall the direct separation of household producers from their means of production. By forestalling the direct separation of household producers, the interventions of finance capital have acted as a fetter upon and not as a propeller for the accumulation of indigenous capital within smallholding production.

Immediately we turn to the formal measurement of revenues and commodity sales, which in this case are based upon:-

1. Sales of tea and milk from two sublocations in Magutu Location, Mathira Division of Nyeri District. Over 1971/2, the sales of these two commodities accounted for 90 per cent of all marketed output in the two sublocations.⁶¹
2. Sales of coffee to three of the twelve factories in Gatanga Location, Kandara Division of Murang'a District. Coffee sales, in all likelihood, also account for nearly the full amount of marketed output in that area.

For the period as a whole, both the Gini coefficients and the Lorenz curves show a marked reduction in the formal degree of the inequalities of revenues and sales.⁶² This reduction in formal inequality has been accompanied by growth in

60. The results of earlier analysis, for the period 1964-71, are reported in Cowen 1974b.

61. Household budgets were compiled for 40 households from 22 holdings of more than 7 acres and 60 household from the holdings of agricultural workers, who were employed for any length of time on the holdings of more than 7 acres. All subsequent information referring to proportions of marketed output, consumption expenditure and direct consumption is derived from the budgets, compiled over the period of July 1971 to June 1972. About one half of the 40 households within the group of larger holdings did not hire wage labour and can be located within the middle peasantry.

62. The Gini coefficient is a concentration ratio, within the range 0 (total equality for any size distribution) to 1 (total inequality). The coefficient, not independent of the arithmetic mean of the distribution, measures the difference between the proportions of the absolute size of the indicator (in this case, household revenue) received by proportions of the total number of households at different levels of revenue. The Lorenz Curve shows the location of the concentration of revenues within the size distribution of revenues. For a total equality of distribution of revenue the Lorenz Curve will be the 45° diagonal (Figures 1 and 2). Higher degrees of inequality are represented by curves drawn further away to the bottom right-hand side of the 45° diagonal.

both money revenues and physical outputs per household. If distribution is a neutral concept and merely represents the concentration of outputs at the surface of commodity relations, then redistribution has been accompanied by growth. Distribution is neutral in the sense that it refers to that distribution of outputs and revenues which can be immediately perceived and measured. But if distribution cannot be prised apart from production and if both movements of production and distribution relations give rise to the specific formation of capital and labour, then redistribution possesses a specific meaning. The meaning of reduced inequality is that there has been a relative strengthening of the middle peasantry. The fetter upon the expansion of larger holdings, an expansion which would entail both an increase in the mean size of holdings and an increased concentration of output within the larger sized holdings, comes from the strengthening of the middle peasantry. An entrenching of the middle peasantry is the effectivity of Swynnerton plan reforms, an effectivity which has displaced and deflected the autonomous process of accumulation by an indigenous class. That process, if accelerated by state inspired reforms, would have produced quite contrary results and the quite different experience of reduced household production.

Table 5. Revenues from milk and tea sales in Magutu Location, 1965-75.

	MEAN SIZE OF HOLDING (acres)	GINI COEFFICIENT			ANNUAL AVERAGE CHANGE:	
		1965	1970/1	1975	GINI COEFFICIENT	TOTAL INCOME
	1970				1965-1975	1965-75
Gatei	3.8	.62	.58	.55	-1.2%	+18.0%
Gaikuyu	6.5	.62	.54	.53	-1.1%	+18.0%

The reduction in formal inequality is more pronounced for the case of milk than for the cases of tea and coffee production. Tea sales, and coffee sales to a lesser extent, are directed towards international markets; the growth of milk sales is dependent upon the state of the internal market. Differences between the two sets of commodities are not merely differences in the markets for sales, but also in the form of subordination of household producers to capital.

As we shall see, a sustained growth of tea and coffee output is achieved by the derivation of producer prices from international market prices. The sources of mediation between producer and international market, in the case of tea at least, arise primarily from local factory manufacture (the conversion of green leaf into dry leaf).

Producer prices bear the cost of financial advances made by the forms of finance capital (from the mid-1950s). The higher the actual proportion of output to the potential level of output (the level of output which enters the

Figure 1. Lorenz curves for milk and tea sales, Magutu, Nyeri.

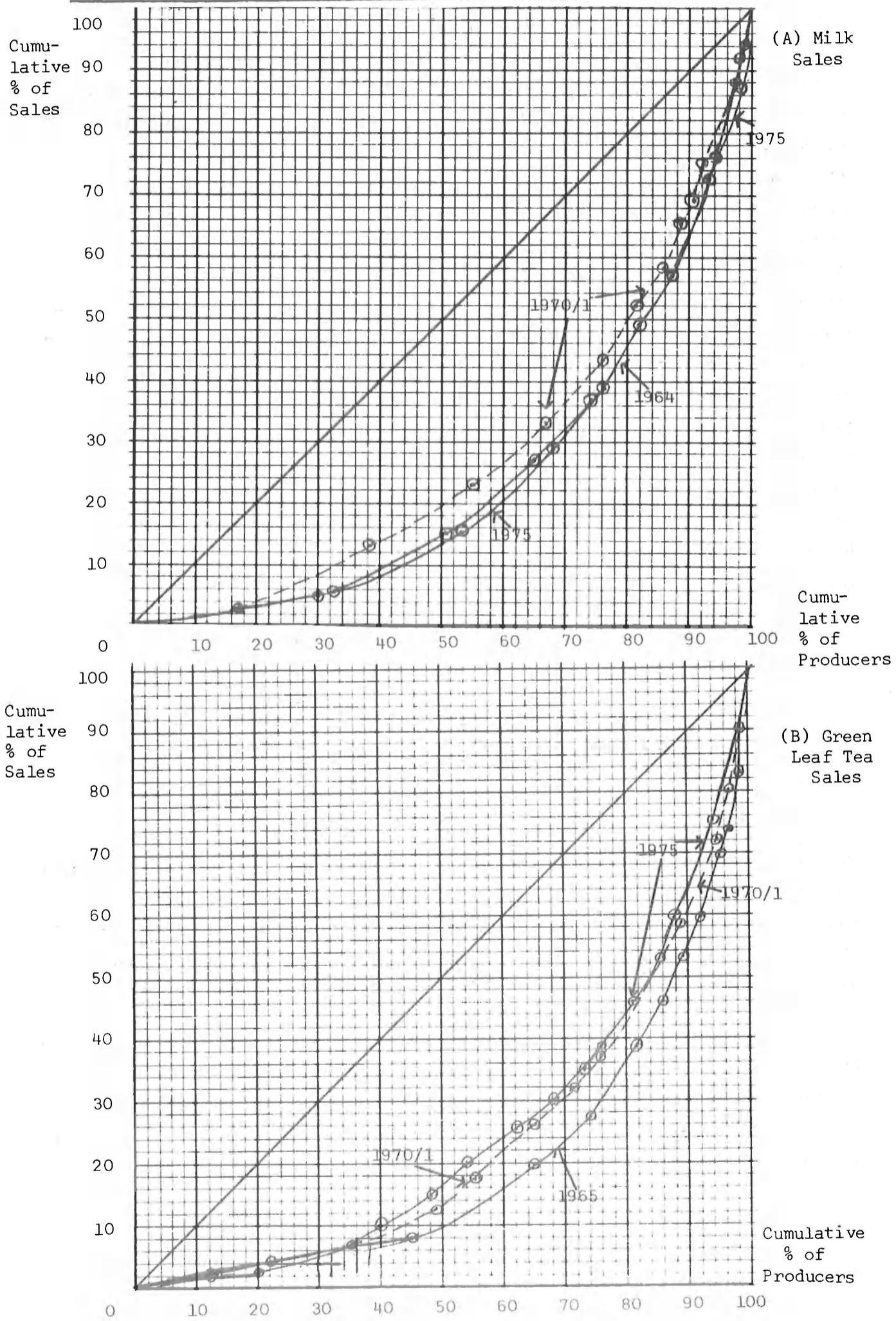


Figure 2. Lorenz curves for coffee sales, Gatanga factories, Murang'a.

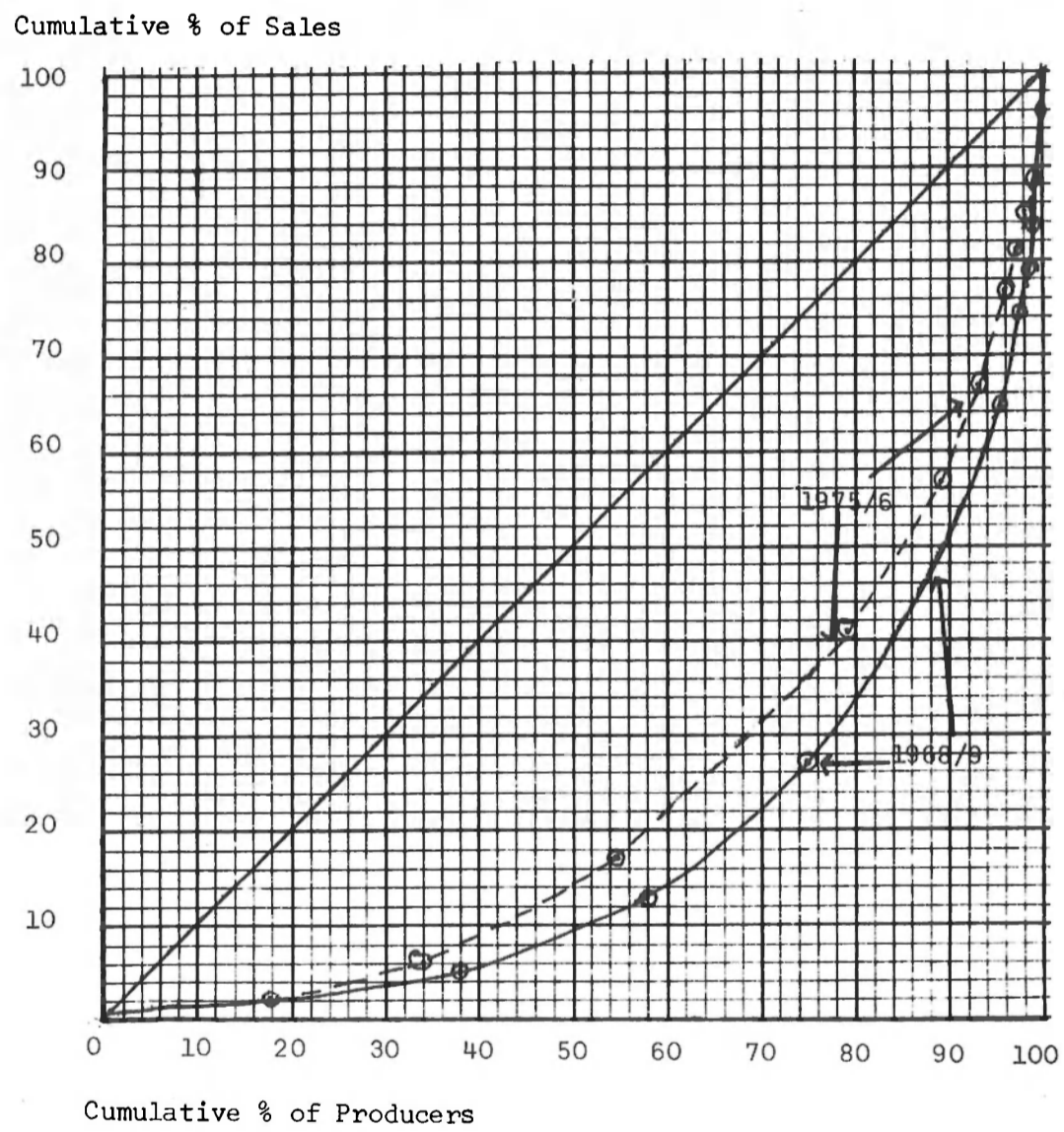


Table 6. Quantities of milk, tea and coffee sales, 1964-76.

	MILK (MAGUTU)			TEA (MAGUTU)			COFFEE (GATANGA)	
	1964	1970/1	1975	1965	1970/1	1975	1968/9	1975/6
Gini Coefficient	.52	.49	.52	.60	.53	.46	.62	.53
Annual Average Change in Gini Coefficient (%)	1964- 70/-	1970/1 -75	1964 -75	1965- 70/-	1970/1 -75	1965 -75	1968/9 -	75/6
Relative Mobility Index ^a	.38	.13		.41	.38		.36	

a. Relative mobility measures the rate at which a given household from any size group will reach or overtake any household from the higher size group over the relevant period. If all households show the same rate of proportionate change in revenues (the same proportion of households from lower size groups as the proportion of households from higher size groups doubling or quadrupling their revenues), no one household can reach or overtake any other household: the index registers the ratio between the actual and maximum possible number of 'overtakings'. See Singh and Whittington (1968), pp. 99, 304.

calculation of repayments for advances of finance), the lower is the proportion of the producer price which is subject to excise for repayments of financial advances. The sustained fall in the degree of inequality (as measured by the Gini Coefficient) has arisen from the sustained increase in output which has come from the holdings of the middle peasantry (as measured by the relative mobility index). It is this sustained increase in output which has permitted economies of scale (both technical and financial) to operate at the level of factory manufacture. Net producer prices have increased at a rate corresponding to the increase in consumption prices, so that during the period of inflation, dating from 1972, households have not reduced marketed outputs of tea (see Table 7).

Milk producer prices are determined internally by a mesh of co-operative organisation pricing and state administered fiat. Internally determined prices are affected as much by the political protection afforded to estate costs of production (for all commodities and not merely milk commodity production) as by the direct impulses transmitted to costs of production by international prices of production. (See Hesselmark and Lorenzel (1976) and Hesselmark (1977).) The domestic weight of marketed maize production - and maize is the foremost wage good in workers', including household producers', budgets - has not shifted from estate production; marketed outputs of milk from smallholdings have increased, since 1964, at a far faster rate than the proportion of maize marketed by smallholdings.

Growth rates of marketed outputs, 1959-1967:-

	Tea	Maize
Small Farms (less than 20 acres)	+45%	-0.5%
Large Farms	+ 5%	+5.0%

Source : Senga (1976).

Table 7. Annual average change (%) in marketed outputs, barter terms of trade, real revenues, 1965-76.

		1965-1970/1	1970/1-1975	1965-1975
Marketed	Milk (Magutu)	+3.8%	-3.2%	-0.1%
Output per Household	Tea (Magutu)	+12.8	+8.7	+11.0
	Coffee (Gatanga)	-	-1.3 ^a	-
Barter Terms of Trade Index ^b	Milk	-1.5	-6.0	-3.0
	Tea	-3.5	+3.0	-1.0
	Coffee	-	+16.5 ^a	-
Real Revenues from Outputs per Household ^c	Gatei	+10.3	-5.5	+2.4
	Gaikuyu	+5.0	+0.9	+3.1
	Gatanga	-	+16.0 ^a	-

a. For coffee (Gatanga), changes refer to 1972/3-75/6.

b. Barter terms of trade indices are simple ratios of net payout producer price indices (for tea, milk, coffee) to a consumer price index. The consumer price index was compiled for 18 representative commodities weighted according to the household budget surveys of 1971/2.

c. Real revenues are a volume index: Money revenues from each sublocation were deflated by the consumer price index. A large part of Gatei sublocation is enclosed within a river basin where tea production is limited and where households are confined to milk production. It is this factor which accounts for the substantial decrease in real revenues in Gatei over the period 1970/1-75.

Milk producer prices have increased at a slower rate than both producer prices for maize and consumer price indices. Any increase in the producer price of milk at a rate which corresponds to the increase in the price of maize would accelerate the decline in real wages, a decline which has been registered persistently since 1972. But as households realise consumption more from marketed expenditure than from direct production, the break which is imposed upon producer prices must turn the terms of trade against household producers. Households are thereby forced into pauperisation.

Subordination to international capital both eliminates direct consumption and subjects producer prices to international prices of production. Domestic fractions of capital have always attempted to maintain household consumption from household production and to insulate producer prices from international prices of production. As we shall show, one result of this obvious inconsistency in the sets of output and price conditions is that households attempt to exercise relative autonomy within production. Households replace milk (a marketed output) by maize (a purchased consumer good) to attempt to insulate themselves from the effects of rising prices of estate produced commodities. As the household production of maize

(for direct consumption) is increased and the marketed output of milk is reduced, commodities produced by both estates and households for internal markets are reduced.

B. Preponderance of Middle Peasant Production

The growth in commodity production of tea over both periods, 1965-70/1 and 1970/1-75, has come from (1) the fast rate of growth achieved by small and middle-size groups of producers, faster than the rates of growth achieved by the largest-size group of producers; and (2) the entry of new producers, roughly half of whom increase the size of tea holdings at a faster rate than existing

Table 8. Proportionate growth in sales, entrants and deaths.^a

	SALES							ENTRANTS (% of N)	DEATHS (% of N)	TOTAL HOUSEHOLDS (N)
	1970-1/1965 (1975/1970-1) (1975-6/68-9)									
	>1/8	1/4	1/2	1	2	4	>8			
	%	%	%	%	%	%	%			
TEA								234	67	747
1965-70/1	-	0.4	2.5	23.8	28.7	26.5	18.2	(31.3%)	(9.0%)	
1970/1-75	0.7	3.0	8.3	34.5	30.1	14.4	9.0	(23.0%)	(5.4%)	785
MILK								544	57	870
1965-70/1	0.4	3.0	10.1	20.5	35.0	19.3	11.9	(62.1%)	(6.6%)	
1970/1-75	4.4	15.0	30.6	31.0	14.1	3.7	1.2	(25.3%)	(29.3%)	795
COFFEE								345	0	1307
1968/9-75/6	0.5	1.8	8.6	26.7	25.4	21.3	15.7	(26.4%)		

a. Proportionate growth is calculated by dividing size groups of sales of the terminal year (1970/1, 1975) by size groups of the initial year (1965, 1970/1) to give the proportionate change of all size groups over the period. Thus in the case of tea between 1965 and 1970/1, 23.8% of all households remained within the same size group of sales; 28.7% of households doubled their sales; 26.5% of households quadrupled their sales.

Entrants refer to households which marketed output during the terminal year but not during the initial year of each period.

Deaths refers to households which marketed output only during the initial year of each period.

producers in any given period. In the case of milk, as Table 8 clearly shows, there is a marked difference in the experience of the two periods. Marketed outputs fell sharply in the later period when the annual average rate of change in the barter terms of trade against milk producers fell four-fold with respect to the earlier period (Table 7). The decline in commodity production came from (1) the fast decrease registered by the small and middle-size groups of producers, the same producers who registered fast rates of increase in production during the earlier period; and (2) the swamping of new entrants by deaths as the number of producers ceasing to market output exceeded the number of producers marketing output for the first time.

Family labour processes of the middle peasantry have produced the expansion in commodity production. The first point is that in Central Province, it is holdings of households located in the middle ranges of the size of land distribution which predominate as the largest proportion of all households. Holdings within this range, from two to six acres, operate the largest proportion of all land within Central Province.⁶⁵

Secondly, the Russian or Indian case, where the smallest size of holdings not only hire out but also hire in wage labour, does not hold in the Central Province formation. Household budget studies of 1971/2 show that only 1 household, from a group of 62 from which 1 or more members engaged in permanent or casual agricultural wage labour, hired in wage labour. The mean size of agricultural workers' holdings is approximately one-half the mean size of all holdings. It is rare to find agricultural workers emerging from a holding which is within the mean size of all holdings. Permanent workers are not employed on any but the largest holdings (of more than nine acres). The middle peasantry conforms to the classic case in that households from the preponderant number of holdings do not engage in or hire in wage labour.⁶⁶

Thirdly, the expanded production of commodities is compulsive for the reproduction of the means of subsistence for middle peasant households. Marketed outputs are not residuals from total outputs; marketed surpluses cannot be

65. Size distribution of holdings.

Size group (Acres)	Central Province (1963/4)		Nyeri (1963/4)	
	Holdings %	Land Operated %	Holdings %	Land Operated %
<2	31.8	13.1	35.2	15.7
2-6	50.0	50.0	50.2	54.1
7-20	16.6	28.8	14.0	29.1
>20	1.6	8.1	0.6	1.1

Sources: Lamb 1974 and Kenya, Economic Survey of Central Province 1963/64, 1968.

66. See Harrison (1975) and Rudra (1976).

In the Russian case (from Starobei'sk District, 1910) there was non-conformity to the Leninist theory of differentiation of the peasantry: 'Not all large farms hired labour-power and some were selling it to other farms. The opposite is true for small farms. In addition, there is a substantial grey area, particularly in the middle range, where farms both hired and sold labour in the course of the same year.' (Harrison, 1975, p. 409)

In the Indian case, '... we are now confronted with the strange phenomenon of those who make their living by selling their labour power themselves purchasing labour power from other poor peasants'. (Rudra, 1976, p. 34)

No such ambiguities are to be found in the Central Province case. A formulation of the non-capitalist mode of production and the formation of the indigenous class of capital account for the conformity to the classical theory of capitalist differentiation of the peasantry. For the formation of agricultural labour within one area of Central Province, see Cowen and Murage (1972) and Cowen (1972).

construed as optional or obligatory. We have already seen that there is no dichotomy, no inverse relation between marketed output and directly consumed output. Moreover, there are no monotonic relations between the proportion of revenues from sales of commodities and the size of total household incomes and the size of land holdings. Rather, it is the smallest and the largest landholdings which register, as size groups, the smallest proportion of revenues from sales. The corollary is that there is no monotonic relation between the size group of holdings and the proportion of consumption from directly consumed output.

Over 1971/2, direct consumption out of household production as a proportion of all consumption (direct consumption + market purchased consumption) ranged between 25 per cent and 40 per cent for all households. Households of agricultural workers, within the smallest size group of holdings, consumed 60 per cent of food out of purchased consumption. The largest size group of holdings (of more than 7 acres) consumed 60 per cent of food from purchased consumption. Here is the condition for straddling between permanent employment and engagement in commercial enterprise. Small holdings are employed as a repository for production for direct consumption to reduce food expenditures and to expand the source of revenue, out of wages, as a source of finance for the engagement in enterprise. It is this condition which, at any given level of wages, permits wages to rise above the value of labour power and, for any increase in that value from an increase in the mass of necessary means of subsistence, to maintain the component of revenue from wages obtained out of permanent employment.

But it is the holdings of the middle peasantry which register the largest proportion of household revenues from sales. Indeed, the formulation of the middle peasantry as a proletariat derives precisely from the necessity for households to expand commodity production to reproduce, not the sources of revenue, but the means of subsistence. Proportions of means of subsistence which are realised from purchased consumption far outweigh the proportions realised from direct household production. As we shall see, commercialisation is not a necessary condition for the capitalisation of smallholder production. It is the case, however, that the form of commercialisation arises from and gives effect to the form of the subordination of household producers to capital.

Data are from the household budget surveys of 1971/2. Agricultural workers obtained 40 per cent of household revenues from commodity sales. Within the group of larger holdings, which included households of those straddling from positions of permanent employment, commodity sales provided 50 to 60 per cent of household revenues. Residual components of household revenues arose from wages obtained by permanent employment. Non-agricultural enterprise for both groups of households provided an insignificant contribution to household revenues.

It may be suggested that the growth in middle peasant production, at rates of growth of production faster than those of larger holdings, arises from the intrinsically logical conception of peasant households as units of production. The essence of the peasant household is distinguished from capitalist enterprise as a unit of production. Thus, from the premise that households maximise (for some standard of consumption) revenue from some given landholding area, when facing lower land-labour ratios, smaller household producers would replace land-extensive by labour-intensive techniques of production.⁶⁸ Larger producers, dependent upon wage labour processes, would reduce labour inputs per unit of output relative to the increase in output which is obtained from the yield-augmenting effect of tea stumps, coffee bushes and dairy livestock maturing through time.⁶⁹ Larger producers, according to the essence of capitalist enterprise, maximise profits for the enterprise.

Smaller producers, faced with a land barrier which prevents any increase in the size of cultivated acreage, would increase the application of family labour to accentuate the yield-augmenting effects of maturity.

Both tea stumps and dairy livestock are yield augmenting through time. Stumps give an asymptotic increase in yield per stump as the age of stumps increases; livestock gives an increase in yield as a result of upgrading and the culling of poor yielding stock. In so far as larger producers planted tea and introduced higher yielding stock at an earlier period of time (from the 1950s rather than the 1960s), it might be expected that smaller producers now register faster rates of growth because the early years of production coincide with the yield-augmenting effect of maturity.⁷⁰

This formulation of the increased size of holding hypothesis - that yields per acre fall with successive increases in the size of holdings - forms the cornerstone of populist, and it should be said, radical orthodoxy. It is to be found in the I.L.O. report. The hypothesis is employed in the current World Bank ideology to uphold the proposition that a more equal distribution of holdings and revenues would increase output per acre and, for any given area

68. This conception forms a bedrock of populist orthodoxy and its early formulation is to be found in the Russian neo-populist school, particularly in the synthesis provided by Chayanov (1966).

69. The yield augmenting effect of maturity is explained in Etherington (1974), chapter 5.

70. A proportion of the present group of larger producers introduced both tea and improved livestock in the 1940s. See Cowen (1974a).

of cultivated land, thus increase total production.⁷¹

We have seen that a more equal distribution of revenues has been accompanied by an increase in total output. Some tests have been deployed to determine the propositions which, it can be alleged, produce the comfortable combination of redistribution with growth.

Unfortunately, the results of the tests fail to reduce the mysticism which surrounds the conception that the technical composition of means of production and techniques of production will explain differences in the rate of increase of commodity production between producers, between commodities and between different time periods.⁷²

Changes in output per acre are not in the direction predicted by the inverse size of holding hypothesis. During the earlier period, 1965-70/1, smaller holdings, which showed the fastest growth in the size of holdings of tea stumps, also showed the fastest growth in output per acre. For the later period, 1970/1-75, the change in output per acre moved in the opposite direction: it was the larger holdings which showed the fastest growth in output per acre.

Table 9. Absolute changes in output per acre (tea production).⁷³

SIZE GROUPS IN ACRES (1963)	N	1965-70/1	1970/1-75	1965-1975
<0.5	156	85.2%	7.2%	98.5%
0.5-1.0	58	36.4%	18.0%	61.0%
>1.0	13	29.8%	80.5%	39.0%
ALL HOLDINGS	227	66.6%	11.9%	87.5%

The variation in both growth rates of holdings and output per acre tends to be greater within size groups of holdings than between size groups of holdings. The variations are particularly pronounced for the smaller size

71. The hypothesis was proposed in Sen (1962). Again, the original synthesis of the formulation is to be found in the Russian neo-populist school. It is in India, during the 1960s and early 1970s, that the hypothesis has been subject to much controversy. For a summary of this controversy, see Bharadwaj (1974).

McNamara, espousing the World Bank position, claims: 'It is of course output per hectare which is the relevant measure of agricultural productivity in land-scarce, labour-surplus economies; not output per worker' (quoted in Feder (1976), p. 534). There is no denying that productivity of labour time is higher on larger holdings.

72. Equations which were used to test proportionate growth and the inverse size of holding hypothesis are not reported here.

73. Output per acre is a simple measure: output of tea, for each household, is divided by the number of mature stumps held by each household. The number of stumps is rigidly fixed for each acre or any fraction of an acre. Milk production cannot be subjected to a similar treatment because records of stock held by each household are only compiled intermittently by the Ministry of Agriculture. The Ministry does compile and maintain time series of tea acreages for each tea holding.

groups: a higher proportion of small holdings show a smaller rate of growth of tea stumps, produce lower outputs per acre at each point in time and a smaller change in yields over time than holdings within larger size groups. It is this variation which accounts for the relative worsening of the position of very small holdings over both sub-periods. In cases of tea, coffee and milk, very small holdings accounted for the same or lower proportions of total sales and revenues. For, although the formal distributions became more equal, the significance of the measure of equality is only that a larger proportion of output was concentrated within the holdings of the middle peasantry.⁷⁴

Within the very small holdings there is a differentiating factor which accounts for the barrier against growth in total production and changes in techniques. Changes of techniques, we mentioned, are enforced by the land barrier which prevents any increase in the size of cultivated acreages. More important than the land barrier is that illusion of relative autonomy which households possess to extract themselves from wage labour processes. A high proportion of the small holdings have entered commodity production to preempt direct proletarianisation.

The attempt to escape from direct proletarianisation is widely regarded as a realisation of the possibility of shaking off the subordination which accompanies the status of wage labour. Rather, the escape from direct proletarianisation is more often than not a necessity for displacing the means of reproducing subsistence from wage labour to the family labour processes of household production.⁷⁵ It is most doubtful whether subordination is shaken off by the plunge into commodity production. It is more certain that pauperisation, represented by a smaller mass of necessary subsistence, accompanies the plunge into household production.

Household production in its contemporary form, as a form of subordination to capital, has been conditioned by the migration of wage labour. The condition for migratory labour is that the maintenance of the household as a unit of domestic production permits wages obtained from employment to be paid at a value which is different from the value of labour power: costs of reproducing the means of subsistence are met partially out of wages, partially out of domestic production. As we have seen, it has always been suggested that, at

74. See particularly Figure 1(B) which traces out the Lorenz curve for the distribution of green tea leaf sales. The relative position of the bottom 20-30 per cent of producers has worsened over the full period, 1965-75.

75. Elsewhere, we have shown how households, engaged in wage labour, employ wages to acquire stock (goats, sheep, bulls) in order to transform small stock into dairy cattle and so attempt to escape from wage labour. See Cowen (1974a), Appendix II.

the level of relations of distribution, a set of wages paid at a value lower than the value of labour power (that of unskilled labour power) corresponds to a set of wages paid at a value greater than the value of labour power (that of supervisory and skilled labour power).

But, as we have also seen and will further suggest, it can equally well be held that it is the value of labour power which rises above the value of wages paid. In this case it is the wages from wage labour which support the increase in the value of labour power and permit household producer prices to be held down below the value of labour power. The degree to which producer prices, prices paid for household produced commodities, can fall below the value of labour power depends not merely upon the proportion of the costs of reproducing the means of subsistence from wages, but upon any change in the value of labour power.

Households which attempt to extract themselves from wage labour can only resist an increase in consumer prices - at a rate of increase greater than a corresponding increase in producer prices - by reducing the mass of necessary means of subsistence. Any reduction in what constitutes the necessary means of subsistence reduces, at the level of the household, the cost of reproducing the means of subsistence and therefore precludes any necessity for, and excludes the means of, increasing levels of productivity. In this sense, a fall in the value of labour power represents an increase in pauperisation which does not derive from the relations of distribution.⁷³

During the period of rapidly increasing consumer prices, 1970/1-75, the largest holdings obtained the largest absolute increase in output per acre. The largest holdings are supported by the process of straddling. Revenue from permanent

73. The argument has been set out elsewhere and in other sections of this essay. But to recapitulate, we repeat that the value of labour power is the value of subsistence necessary for the reproduction of the household. Value is both a magnitude - the necessary labour time required for the production of subsistence commodities - and a social relation - the historically given composition of commodities required by any set of households. For a given composition of commodities, a fall in the value of labour power means a reduction in the average labour time of all workers (including workers producing commodities consumed by the household) necessary for the reproduction of subsistence.

A fall in the value of labour power can permit households to consume a greater mass of use values if the fall in the value of labour power follows from an equalisation of values of labour, the result of the intervention of international capital. Where a barrier prevents equalisation of values, through the insulation of households from movements in prices of production, then there is no assurance that households will consume a greater mass of use values.

Barriers placed upon the equalisation of values separate and dislocate proportions of labour time required to reproduce the means of subsistence. Even with a reduction in the average labour time necessary for subsistence, households encapsulated within barriers of protection will face an increase in necessary labour time and/or a reduction in the mass of use values consumed (subsistence requirement).

employment supports the higher intensity of production by permitting the more intensive employment of wage labour and the application of non-labour inputs to land.⁷⁷ Entrenched permanent employment, and not extraction from wage labour, ensures the increase in household production from increased productivity. It is not the exercise of relative autonomy, the quintessential characteristic of the supposed relations of production of peasant households, which gives rise to expanded household production from increased productivity.

Tea, we mentioned, is directed towards international markets; virtually all smallholding-produced green leaf tea is marketed for factory manufacture.⁷⁸ Milk production is not only directed towards internal markets but is subject to direct consumption at the level of the holding. It may be supposed that a reduction in marketed output, in response to changes in the barter terms of trade between consumer and producer prices, would be compensated for by an increase in direct consumption out of household production.

Such a response, at the level of the household, implies that households possess a degree of relative autonomy from the coercive force of price determination at national and international levels. It is the same relative autonomy from price determination which presupposes that households spontaneously change techniques of production and the form of commodity production in response to changes in land-labour ratios. Relative autonomy provides the pivot of the presupposition that differences between marketed (and purchased) commodities and directly consumed products are neutral with respect to the production of households' means of subsistence: households determine the proportions of marketed and directly consumed outputs only with respect to some required level of use values. Any change in the mass of use values consumed does not arise from changes in the proportions of marketed and directly consumed outputs.

Now, the striking experience of milk production over the period 1970/1-75, when the barter terms of trade turned against producer prices so markedly, was that the relative decline in sales of milk was matched by a similar and only slightly less rapid decline in the quantities of milk consumed directly out of household production. The proportion of milk consumed directly from all household

77. Expressed as empirical values (quantities of outputs valued at market prices), the value of non-directly consumed plus marketed outputs produced by households of the larger holdings (of more than seven acres) was three to five times greater than the corresponding values of outputs produced by agricultural workers' households. But larger holdings purchased six times as much fertiliser and nearly ten times as much cattle feeds as agricultural workers' households. Point input-output ratios (mean value of inputs per unit of output) on the larger holdings were lower, in all cases, than on workers' holdings (Results from 1971/2 budgets).

78. Legal provisions prohibit the direct consumption of sun-dried tea. These provisions date from the early 1960s during an intense period of conflict between the indigenous class and state apparatuses over factory manufacture, domestic processing of green leaf tea and the marketing of sun-dried tea.

production in 1975 was no different from the proportion consumed in 1964-70/1, when sales of milk increased rapidly together with an increase in the proportion of home consumed milk.⁷⁹ There is, therefore, no dichotomy, no inverse relation, between marketed output and directly consumed output.

Not only is there little or no relative autonomy for household allocations between marketed output and home consumption from household production for even the largest middle peasant holdings: the attempt by households to act as if they possessed relative autonomy to counter the coercive forces of market relations only moves households toward relative pauperisation. Integration of production and consumption at the level of the household presupposes the attempt by households to exercise relative autonomy.

To act as if relative autonomy is possessed is to expand production for direct consumption. Unlike the commodity forms of tea, produced entirely for international markets, and milk, produced in roughly equal proportions for internal markets and direct consumption, maize is produced almost entirely for direct household consumption.⁸⁰ Maize, the major commodity in food budgets of all households, accounted for one third of all food expenditure and one third of directly consumed household output over 1971/2.⁸¹ It is likely that the proportion of maize consumed directly out of household production has increased substantially over the period to 1975. Households maintain the production of maize in the face of rising consumer prices, whether by reference to the rate of change of maize consumer prices or to the rate of change of non-maize producer prices. Over the period 1971-75, maize consumer prices increased absolutely by 100 per cent; milk producer prices increased by 23 per cent.⁸² In areas registering remarkably low quantity yields of maize⁸³ and relatively high quantity yields of

79. Proportion of milk directly consumed by households (larger holdings):-			
	1962/3	1971/2	1975/6
	36%	53%	54%

Sources: For 1962/3, Kenya, 'Farm Economic Survey Unit Reports, Nyeri District', 1962 and 1964. For 1971/2 and 1975/6, the author's budget surveys, 1971/2, and survey of milk output, 1973, for Nyeri District.

80. From the 1971/2 budget surveys, only 1 out of 100 households recorded any sale of dry maize. The sale of green maize was more marked, but accounted for no more than a quarter of all maize output on larger holdings and only 4 per cent of maize output on agricultural workers' holdings.

81. It is the seasonal variation in maize expenditure which is inversely related to maize consumption out of production, and the inverse relation is so precise that the total consumption of maize remains constant over any given year. Under the present regime of dislocated internal markets, households are forced to purchase maize during seasons of relatively high market prices and directly consume household production during seasons of relatively low market prices.

82. Kenya, Economic Survey 1976, p. 80. The absolute change of all-Kenya (average) milk producer prices is identical to the change of the local Mathira Dairy Co-operative Society net payout prices. See Appendix to this section.

83. Yields in 1975 were 1 to 2 tonnes per hectare; the all-Kenya yield was 2.7 tonnes per hectare (Hesselmark, 1976).

milk, the effect of attempting to exercise relative autonomy, within the barriers of price and quantity constraints, is to extend the production of a commodity whose only form is that of direct consumption.

The exercise of relative autonomy and its effects are forced upon households by the dislocations between household and large-scale estate production. We shall now show why the intervention of international capital is effected by sets of dislocations, dislocations which the intervention effects to dislodge. The intervention of international capital against domestic fractions of capital is an attempt to eradicate direct consumption through eclipsing the exercise of relative autonomy. It is the notions of populism - craving for autonomy, self-sufficiency and self-reliance at all levels within ⁸⁴ the social formation - which aid and abet the exercise of relative autonomy at the level of the household and ensure an extended state of pauperisation.

C. International and Domestic Formations of Capital

Swynnerton-type reforms have produced the most recent experience of middle peasant production. Yet, as we have pointed out, this experience flies in the face of deeply held notions which suppose that the reforms aided and abetted the formation of domestic capital, that land registration and consolidation and bias in the allocations of financial loans and inputs have supported the formation of a capitalist class within smallholding agriculture. These same supports undercut the survival of smallholdings as economic units of production. The capitalist class, it is alleged, was installed through state instigated supports. And, as smallholdings ceased to be economic units of production, they became sources of wage labour to fuel the formation of domestic capital.

Now these deeply held notions are ingrained in the contention of populism which posits the confrontation of household production - a supposed determinate mode of production - against a capitalist mode of production. It is in the transition between two modes of production that the contention of populism is concerned with supporting the concept that peasant households constitute a determinate mode of production. There is no limit to the reproduction of households as economic units of production because the forces of production (family labour processes) correspond uniquely to the relations of production (distribution of land as family property) of a household mode of production.

⁸⁴. The gambit behind Special Rural Development Programme schemes and the I.D.S. - based evaluation of the schemes was formed precisely upon these premises. See Roling et al. (1973); Heyer, Ireri and Moris (1971); and Institute for Development Studies (1973 and 1975).

Furthermore, it is only with the penetration of an implanted capitalism that a limit is imposed upon the reproduction of households. It is from this confrontation, and not out of the reproduction of households according to the household mode of production, that a capitalist class is formed to arrest and subvert the reproduction of household producers. Households are differentiated, a substantial degree of inequality exists between households, but the sources of differentiation are to be predicted from the distribution of land as family property and family labour processes which secure the reproduction of households. Only political bias and discrimination, through state instigated support for domestic capital formation, deflects and amplifies the form of differentiation which is predicated by the household mode of production.

We should not be delayed by any critique of the concept of a determinate household mode of production. It has been amply criticised elsewhere. (See particularly Harrison, 1975.) Nor should we be delayed by the appraisal of the transition between any two modes of production in a social formation.⁸⁵ In the course of transition the dominance of one mode of production cannot be inexorably secured and no one mode of production can encapsulate the reproduction of relations of production (the social distribution of the means of production) and the corresponding set of forces of production (the forms of labour processes).

Only one supposition of populist orthodoxy need be mentioned, namely that the differentiation of households arises from the distribution of land between producers, at the level of the family household, according to a demographic process which distributes persons between households. Following from the premise of the interpenetration of production and consumption within the household, the demographic process secures the predominant position of middle peasant households in a social formation. Moreover, as production and consumption are unified within the household, wage labour processes cannot be entertained as the force of production which corresponds to the relation of production - the family distribution of land by way of the demographic process - of the household mode of production. (See Chayanov, 1966.)

Yet, whatever the form of the demographic process, the preponderance of the middle peasantry, so sharply indicated in Central Province, does not logically follow from a concept of the household mode of production. The demographic process is a mechanism of distribution resting upon the specific relation of production which is supported by the communal action of kinship, tribe and all

85. Conditions for the transition between any two modes of production cannot be provided at the level of logical abstraction which presupposes a determinate mode of production. Thus, the influential work by Hindess and Hirst, with its expressed aversion for history, proposed that there is no 'universal mechanism of transition', that the analysis of transition rests upon 'specific conditions', 'concrete conjunctures' (Hindess and Hirst, 1975, pp. 12, 17, 202, and 1977).

other variants of communality at the political level of a social formation. We will show that the preponderance of the middle peasantry has been secured independently of the demographic process which is a mechanism of distribution attendant upon the concept of the household mode of production.

The preponderance of the middle peasantry has been secured by the intervention of international capital against the political actions of both implanted estate capitalism and the formation of the indigenous capitalist class. It is within the transition from a precapitalist mode of production to the formation of domestic capital that international capital was inserted. And this insertion, however formulated by the writ of the Swynnerton plan and the like, has underwritten the expansion of middle peasant production.

Formation of Indigenous Capital.⁸⁶ Migration established the form of the distribution of the means of production within the non-capitalist mode of production of the pre-colonial period. Rights to land ownership were ensured by rights of first clearance of land. The private appropriation of socialised labour by a class of primitive accumulators was set in motion by and limited by the processes of migration. The characteristic features of primitive accumulation - individualism, trading, raiding and looting - were present, but the separation of households from the means of production was limited by the same force, migration, which set the process of primitive accumulation in motion. Family labour processes remained the preponderant form of socialised labour and the social division of labour was constricted by the limited separation of households from the means of production.

Transition to a capitalist mode of production required intervention, at the political level, against migration.

The first period of intervention, in the case of Central Province, was provided by the implantation of colonial state apparatuses. Whatever the flavour given to implantation by the archaic forms of colonial merchant capitals, the effect of implantation in Kenya was to secure settler colonisation. It was the establishment of estates which limited migration as land colonisation (and thus rights to land ownership by first clearance) and correspondingly limited the reproduction of relations of production of the non-capitalist mode of production.

86. This section rests upon a growing body of material from empirical studies the precise details of which are not given here. Materials are to be found in Cowen (1972), Cummings (1976), Munro (1975), Kitching (forthcoming), MacWilliam (1976) and Muriuki (1974). A more extended argument which forms the basis of the notes here is to be found in Cowen (1976).

But without the political intervention of state apparatuses against expanded production by the class of primitive accumulators, the effect of limits upon migration would have been to transform the class of primitive accumulators into a class of productive capital.

Limitations upon migration, coupled with expanded production of relatively high labour value forms of commodities (coffee, tea, improved cattle), would have expanded the sources of extraction of surplus value by the indigenous class and reduced the reproduction of sources of primitive accumulation. The expanded sources of extraction of surplus value would have come from the accentuated separation of household producers from the means of production. It was the attempt to reduce sources of surplus value extraction by the indigenous class which governed the application of prohibitions upon expanded commodity production by indigenous producers.

Prohibitions, which operated most severely between the 1910s and 1940s, are not to be construed, as in the normal way, as a manifestation of the most elementary forms of blanket racism. Estate settlement and associated prohibitions displaced the form of separation of producers from the means of production and activated migration as a flow of labour to estates and away from the transformed class of primitive accumulators.

The place of the class of primitive accumulators was transformed but never extinguished during the period of the colonial state. A transformation of class places - through the passages of mission and school and fleeting periods of skilled wage labour - was dramatic. From the 1910s to the early 1930s, a class was reformed and positioned in conflict with the primitive accumulators. The reformation of the class place is invariably construed as a distinct break, an embodiment of the confrontation between the precapitalist and capitalist modes of production.

Straddling, as we show in the essay on the salariat, from teaching, clerical and artisan positions, provided sources of finance for both expanding commodity production and commercial enterprise. Only straddling provided for the separation of the reformed class from the remnants of the primitive accumulators who had employed the positions of chiefships and the like to extend processes of looting and raiding into the colonial period. Once the reformed class replaced primitive accumulators within the condensation of class forces, the class was inserted into the support of state apparatuses, however much that support was counterposed by the predominant fraction incorporating the political superintendence of estate capital. From the 1930s, the political forces and organisation of the indigenous class were directed at shifting the balance of class forces away from settler political superintendence.

In the essay on the salariat we show that the formation of the contemporary period of merchant capital was a refraction of the retracted scale of accumulation within agricultural production. Merchant capitals of the period of the 1930s were established upon expanded household production, an expansion set in motion by the intervention of international capital. Retracted within production, the indigenous class was deflected into merchant capital accumulation. International capital provided both the cause and effect of merchant capital formation and marked both tension and accomodation between the fractions of indigenous and international capital formations.

Tension arose because the retracted scale of accumulation within agricultural production, conditioned initially by the prohibitions of implanted estate capital, was extended in spite of the removal of the prohibitions by the intervention of international capital. After all, indigenous accumulation was stymied during the post-Swynnerton reform period by expanded middle peasant production which was achieved by the intervention of international capital. Accomodation took place because merchant capital realised profits as a share of surplus value, surplus value which was extracted only through the intervention of industrial capital, the form of international capital.

From the late 1940s, the cause and effect of tension and accomodation were inverted. The collapse of the political superintendence of estate capital was the outcome of the Mau Mau revolt, a revolt set in motion by the continuities of the political organisation of the indigenous class.⁵⁷ But the demise of settler estate capital had been signalled by the recompositions of international capital, particularly British capital, during the post-war period. One such impulse was the insertion of the agencies of finance capital into colonial state apparatuses, an insertion which signalled both the contemporary expansion of the indigenous class into estate production and the contemporary pattern of expanded household production.⁵⁸ Also, while the eclipse of political superintendence

57. It has been shown elsewhere that merchant capital reaches the limits of capital in circulation by interacting with household producers within the sphere of the market (through unequal exchange) where sources of surplus value are extracted. Merchant capital realises profits as a share of surplus value, surplus value which is extracted out of production set in motion by industrial capital. In this instance, the intervention of industrial capital is historically prior to the emergence of the contemporary period of merchant capital. In its most restricted sense, equal exchange is a condition for the extraction of surplus value (an extraction which formally separates the value of labour from the value of labour power) when prices of all commodities are equal. Unequal exchange provides for the realisation of profits, within the limits of circulating capital, as a share of surplus value where the price of any one commodity is not equal to the value of the commodity. See Kay (1975), pp. 30-1, 39-40.

58. For the most secure evidence, see Spencer (1975).

59. Little attention has been paid to the recompositions of capital, the emergence of the contemporary period of finance capital and the effectivity of such recompositions for social formations such as Kenya. The only serious study with respect to Kenya is Swainson (1976b).

signalled the end of the segmentation of merchant capital by race, tribe and other communal criteria, the transformation of domestic capital, beyond the limits of capital in circulation, could only be ensured by political forms of intervention against the entrenchment of international capital. There is no direct correspondence between the economic passages, marking the intervention of international capital, and the political action which has marked the formation of indigenous capital.

So, the retracted scale of accumulation of the indigenous class within smallholding agriculture should not be allowed to belie the continuities of a class place which was structured by the relations of production of a non-capitalist mode of production. Smallholdings of the indigenous class were developed upon wage labour processes. Straddling from positions of skilled and supervisory wage employment provided revenue to reproduce means of production and not means of subsistence.

Smallholdings of the class should not be conflated with the holdings of households which were employed to reproduce the means of production. Smallholdings remained small because of barriers imposed upon the expansion of commodity production and the colonisation of land. Barriers were erected by (1) the implantation of estate capital which used political superintendence to circumscribe commodity production, and (2) the intervention of international capital which gave effect to expanded household production and directly forestalled the separation of household producers from the means of production.

The Intervention of International Capital. International capital intervened in the countryside not as the archaic form of colonial merchant capital, but as industrial capital. During the course of intervention, international capital displaced not merely the sources of accumulation of the indigenous class by strengthening the position of the middle peasantry. International capitals intervened as capital of a different period and a different genesis from the implanted capitals of settler estate agriculture.

The source of exploitation of estate agriculture rests upon the extraction of absolute surplus value. For the extraction of absolute surplus value, no economic process ensures that the value of labour will change for any given change in the value of labour power. State intervention is necessary to regulate the sources of the reproduction of labour power. Reproduction of household subsistence is realised in part from the non-wage costs of direct household production to ensure that wage costs are pushed below the value of labour power. Households survive as units of production for reproducing the sources of absolute surplus value.

As we have previously emphasised, the source of exploitation of international capitals rests upon forcing changes in the value of labour, to change the productivities of household producers. The intervention of finance capital, no less than the intervention of the state, is a precondition at the economic level, no less than the ideological level, for changes in the productivities of producers.

Capital and Wattle. In the first instance of intervention, the expansion of household production of wattle bark was established from the mid-1920s without the superintendence of finance capital. One capital, Forestal, exercised international control over production of all tanning extracts, and wattle bark, the base of a tanning extract, was the foremost form of commodity production by all households in Central Province.³⁰

No extra-economic forms of coercion were required to instigate household production. The force of coercion was generated by the sustained increase in the proportion of household subsistence necessarily provided by money earnings rather than direct consumption. On the contrary, extra-economic forms of coercion (through the physical destruction of commodities) were initially required to restrain the increase in the quantities of household production. Later, through the administration of state apparatuses, quantity and quality controls provided the coercive force to constrain the increase in quantities of production.

Quantities of output were constrained to subject household producer prices to average (international) prices of production, the regulator of the movement of capital between different areas and spheres of production. Household producer prices were increased and not decreased to ensure that the value of labour in household production did not deviate from the value of labour employed elsewhere (particularly South Africa) in estate production. The increase in the value of labour, forced out by quantity and quality controls coupled with state provision of extension services, was given by an increase in both the productivity and intensity of labour. State supervision of household production was not a support for expanded production by the indigenous class but, on the contrary, a condition for expanded middle peasant production.

International capital of the period extracts relative surplus value. The extraction of relative surplus value normally requires that the productivity of workers be increased to reduce the proportion of labour time which is expended

30. The experience of wattle production embraces all elements of the connections and confrontations among merchant and industrial capitals, the state and household producers. See Cowen (1975).

in production to reproduce workers' subsistence. The effect of a reduction in the ratio of necessary to surplus labour time is to lower the value of labour power since the increase in productivity has lowered the costs of reproduction of any given mass of subsistence.

Now, the problem of the transition between two modes of production, and two periods of capital, is that the realisation of consumption is not met through the international equalisation of values. The costs of reproducing subsistence are increased in the same moment that the value of labour is increased because the production of commodities which enter into the reproduction of subsistence is maintained by capitals which are insulated from the price of production regulator.

Estate agriculture production comprises a form of capital which extracts surplus value, not from any compulsion to increase the value of labour. The source of absolute surplus value is provided only by the compulsion to increase the number of workers and thereby to reduce the proportion of households engaged in commodity production. One slogan characterises the binding of different fractions of estate producers into one class bloc and gives effect to the insertion of that class bloc within the state: 'Maintain producer prices'.

By maintaining producer prices, the political superintendence of estate capital ensures insulation from the price of production regulator. By maintaining producer prices, estate capital pre-empts the effectivity of the intervention of capital which extracts relative surplus value. Consumer prices of commodities, prices derived from estate producer prices of commodities which enter into household budgets, are maintained at a level which ensures that the value of labour power would not fall for any given increase in the value of labour time. Remember, it is by decreasing the value of labour power (at any given mass of necessary means of subsistence) at some faster rate than any given increase in the value of labour time, that relative surplus value is extracted. By preventing any decrease in the value of labour power, the survival of estate capital impairs the effectivity of relative surplus value extraction.

Separation from the means of production implies the displacement of means of realising the reproduction of the households' subsistence. The extraction of absolute surplus value is conditioned by a form of separation which displaces the means of realising subsistence from simple commodity production and which maintains the holdings of households as repositories for the production of directly consumed outputs.

The extraction of relative surplus value is conditioned by a form of separation which displaces the realisation of subsistence directly from simple to expanded commodity production. Displacement takes quite a different form in

eliminating the production of directly consumed outputs and forcing households to realise the reproduction of all means of subsistence in commodity forms.

Now, we should be quite clear about the meaning of expanded production. Production is expanded not at the level of the household, but as a relation of the subordination of the household to capital. The household as a simple commodity producer, producing outputs as use values, does not stand in a competitive relation to capital, producing commodities as exchange values. Where households are subject to quantity and quality controls over production, where labour is subject to supervision by capital (even if mediated by state apparatuses), where the household producer price is tantamount to a wage, then the household approximates a wage worker. The often mentioned status of the middle peasantry as a proletariat^{or} derives from the compulsion to expand commodity production to reproduce subsistence.

If, nevertheless, the means of production are maintained by the household as part of the compulsive relation to expand commodity production, then expanded production places a fetter upon and tempers the accumulation of capital by domestic classes (whether by settler or indigenous capital). Sources of accumulation, for the extraction of absolute surplus value, are constricted by the maintenance of means of production by producers to reproduce means of subsistence.

We should also be quite clear as to the connection between household production and relative surplus value. The extraction of relative surplus value, unlike absolute surplus value, rests upon the proportionate reduction in necessary labour time, time to reproduce the necessary means of subsistence. By displacing the realisation of necessary subsistence from the domestic production of use values onto marketed expenditures, a proportionate reduction in labour time is effected by contemporary conditions of capitalist production. Marketed expenditures are expenditures on commodities produced by large-scale units of production.

Neo-populism represents a modification, if not subversion, of the principle of subordination of simple commodity producers to capital rather than that of competition between simple commodity production and capital. Chayanov, for instance, derives logical conditions for household production and then historically places households within a subordinate and not competitive position to capital. For a summary, see Bernstein (1976). For the status of the peasantry as a proletariat, see Banaji (1975 and 1976), and Amin (1974).

In *Capital*, Volume 1, Part 4, the production of relative surplus value is conceived of by way of the real subsumption of labour to capital, where labour processes are transformed by capital. This transformation leads to production processes characterised by combined wage labour and machinery. Now, it may be naively asked, how can the extraction of relative surplus value devolve upon the uncombined family and unmechanised labour processes of peasant households? Because it is the prior effectivity of relative surplus value extraction which provides the historical conditions for the intervention of industrial capital against implanted estate capital. And, moreover, it is the historically given real subsumption of labour by capital on the international scale which provides the production processes which permit a proportionate reduction in necessary labour time and thereby ensures the logical conditions for the extraction of relative surplus value.

Protection, whether afforded to estate agriculture producers or industrial manufacturers, only reduces the rate at which any potential fall in the value of labour power can be realised.

In the case of wattle production, the forms of coercion exercised by capital and against producers were resisted most strenuously by the fraction of merchant capital which had been deflected out of the retracted scale of accumulation in productive capital. The same fraction of capital (deflected from productive capital), within the passages between the colonial and post-colonial state formation, resisted the expansion of new commodity forms of household production associated with the Swynnerton-type plans³ of the 1950s and 1960s. It was the indigenous class which had propelled forward the production of new commodity forms - tea, coffee, milk. The initial production of these commodities predates the Mau Mau revolt and the reforms proposed in the Swynnerton plan. Execution of the plan was initially encapsulated within a period of intense conflict between the indigenous class and state apparatuses. The formation of indigenous capital demanded control over access to improved livestock, control over manufacture of green leaf tea and control over conditions determining the allocation of coffee inputs.³ In each case, the inception of expanded commodity production was framed upon conditions (the blanket introduction of new commodity forms across the full range of holdings coupled with large-scale manufacture) which forestalled the demands of the indigenous class. The plans intervened against the autonomous process of accumulation of the indigenous class.⁴ By eclipsing the growth of sources of wage labour and by tempering rather than accelerating the concentration of land within the hands of the indigenous class, the plans forestalled accumulation by the indigenous class.

The first instance of intervention of international capital from the 1920s had been established without the presence of finance capital, but through the agency of state apparatuses. The second instance of intervention from the late 1940s was established upon the prior premise of the superintendence of finance capital. The change between the two instances of intervention arose from a break between two periods of capital. In the first instance, productive capital moved

³. For the case of livestock, see Cowen (1974a); for the case of tea, see Swainson (1976b); for the case of coffee, see Lamb (1974).

However formulated, the execution of the Swynnerton-type plans subverted any prior assumptions that strenuous and rigorous controls, applied by state apparatuses, would maintain and ensure the exclusive position of large-holding and small capitalist production within smallholding agriculture. Even the formulations provided target revenues for middle peasant households. From 1954 it was expected that mean household revenues from agricultural enterprises would reach Shs. 2,000 p.a. within 10 to 15 years. By 1970, mean household revenues from milk and tea (accounting for 90 per cent of all revenues) in one location within Nyeri District, reached Shs. 1,500. A quarter of all holdings reached more than Shs. 1,500.

spontaneously into an area of production to capture differences between individual and average prices of production which had been caused by the disjunctures between the values of labour in household and estate production.

Capital, as we mentioned, contrived the equalisation of values of labour through subjecting household producer prices to international (average) prices of production and attempting to increase the productivity of household production. Equalisation was truncated on two counts:-

1. The fraction of merchant capital, condensed within the balance of class forces characterising the colonial state, was able to subvert the coercive set of quantity and quality controls which were executed and supervised by state apparatuses. Indeed, it was state personnel, particularly within the provincial administration and in the period always opposed to the entrenchment of international capital, who allied themselves with varying degrees of commitment to the process of subversion.
2. Wattle as a commodity form did not meet the requirements of household producers whose value of labour power, at a given level of labour productivity, had increased by way of an expansion in the mass of necessary means of subsistence. Correspondingly, the difference between wages from migratory labour and the total cost of reproducing the means of subsistence was not met by revenues from wattle production. Households increased output at a rate greater than that rate constrained and fixed (through quantity and quality controls) by the attempt to maintain the international (average) price of production. The response of capital was to reduce the household producer (individual) price. Aided and abetted by merchant capital, producers compensated for proportionate reductions in producer prices by proportionate increases in outputs. Divergences between individual and average prices of production were compounded and not reduced by this intervention of productive capital.

The response of Forestal was to switch the weight of production from family labour processes of households to the direct wage labour processes of estates. But in the course of a transition between two modes of production and between two periods of capital there can be no linear conception of the displacement of family labour processes by the direct wage labour processes of estates.

Capital and Tea. Tea production was hitherto confined to estate production. Now, as the weight of wattle production was shifted towards the wage labour

The point is not trite. Populist conceptions pervaded the persona of colonial state personnel. Personnel, particularly at the provincial and district levels of administration and within all apparatuses of the state, construed the non-capitalist mode of production as a household mode of production. To attempt to maintain the solidity of household production and to ensure that the duality between household production and all forms of capital was not disturbed, personnel resisted the intervention of international capital and segmented, by ethnic preserves, the expansion of merchant capital.

processes of estates, the weight of tea production was shifted towards the family labour processes of household production. The shift, in this second instance of intervention by capital, was not a spontaneous movement of productive capital but was governed by the post-war emergence of the contemporary period of finance capital.

This switch, of two commodity forms between two forms of labour processes, was governed by the advances of finance capital. Take the case of tea production.⁹⁶ Advances of finance by international banks and aid agencies permitted:-

1. State apparatuses to eliminate the formation of merchant capital, inserted between household producers and productive capital,⁹⁷ and
2. State apparatuses to maintain the individual price of production at a level which does not deviate from the average (international) price of production to the extent that productive capital will desist from entering the new area of production.

Both conditions, the elimination of the existing form of merchant capital and the break in the barrier of competition between domestic and factory processing of commodities, secured the control of household production by the international formation of capital against the resistance of the indigenous class.

It was the indigenous class which sought to establish the most rudimentary forms of domestic manufacture - sun drying tea in backyards - to process leaf destined for the internal market. At producer prices lower than average (international) prices of production, domestic manufacture would confront factory manufacture. Factory manufacture was that of capital which had geared the production of higher quality tea for international markets (at lower than average prices of production) upon the production of lower quality tea for internal markets (at higher than average prices of production).

Advances of finance broke the barrier of competition between domestic and factory manufacture by raising household producer prices at higher costs of production to ensure the production of tea for international markets. Without the advances of finance capital, the barrier of competition would not have been broken. Controls over the quantity and quality of tea production, and thus control over the size of units of production, were historically ensured by international capital.

Post-war recompositions of capital at an international level and political interventions against the recompositions, by domestic fractions of capital, produced the contemporary experience of expanded household production. Only the more facile

96. The following notes on the case of tea have yet to be written in a complete form. Some of the issues are to be found in Swainson (1976b).

97. The establishment of parastatal marketing authorities to purchase household commodities breaches the segmentation of the private formation of merchant capital. The concept of merchant capital as the relation circulating commodities and realising profits through a share of surplus value is not effected by the re-formation of the concrete forms of merchant capital.

notions, accumulated from bland common sense and insipid moral feeling, could suggest that there is a direct correspondence between the penetration of international capital and the formation of indigenous capital and that this correspondence must somehow promote differentiation in smallholding agriculture to make income distribution worse.

D. Limits of Expanded Middle Peasant Production

The sustained increase in commodity production, coupled with the reduction in formal inequality in the distribution of sales and revenues, emerges from the production of commodities which are subject to realisation at the widest level of international markets. Differences between the production of the commodity forms of coffee, tea and milk arise not so much from simple differences in the composition of commodity forms or changes in productivity at the level of the household. We have noted that differences emerge from the form of market relations and the form of subjection of household producers to different fractions of capital.

A fractured state of internal markets, to which milk is directed, arises not so much from the restricted growth of the internal market - a proposition which would follow from under-consumptionist theories. Fractures follow from dislocations between household and large-scale estate production. Where the effectivity of estate production has been established as a form of capitalist production, but where that effectivity has been conditioned by the survival rather than destruction of household production, then it is clear that the hegemony which capital exercises over household production permits the illusion of relative autonomy to operate at the level of the household.

It is this illusion of relative autonomy which forces households to raise the value of their labour power or reduce subsistence requirements, both forms of action which run counter to the effectivity of international capital. The effect of the intervention of international capital is to raise the value of labour and reduce the value of labour power. Yet, as we saw, a reduction in the value of labour power, by subjecting producer prices to international prices of production, has been effected within the framework of earnings from wage labour. Earnings from wage labour employment, historically determined by implanted capital and state apparatuses, support the reproduction of the means of subsistence from household production and ensure a reduction in the value of labour power for any increase in the value of labour.

Interventions of the more advanced forms of capital - appropriating surplus labour through relative surplus value - have been enveloped within the implementation and emergence of internal fractions of capital. Implantation of estate capital appropriates surplus labour in the form of absolute surplus value.

Against the emergence of indigenous capital from the non-capitalist mode of production, reserves of households are maintained as preserves for the direct consumption of household production. Without these reserves, there would be no extant households as economic units of production and no sources for the expansion of household commodity production.

Yet, the effectivity of international capital is to circumscribe the areas of direct consumption and to underwrite the position of the middle peasantry. By increasing the proportion of purchased consumption, the commercialisation of commodity relations is promoted. By tempering the separation of producers from the means of production at the level of the holding, the capitalist differentiation of the peasantry is demoted. It is this conjuncture of accelerated commercialisation of commodity relations but retarded capitalisation of social relations which characterises the tension between the fractions of capital. And it is the tension between fractions which establishes the intensity of political interventions which are employed to transform conjunctures of the transition between the different periods of capital.

One concrete instance of the conjuncture between the forms of capital is that while the expansion of commodity production has been set in motion by the international form of capital, the corresponding change in the composition of households' means of subsistence (and the mode of realisation of subsistence) has been brought about by the political intervention of the internal fractions of capital.

It is to be expected that during a period of rapidly increasing commodity production, empirical values of household expenditure would rapidly change. But the one striking characteristic of change in the composition of household consumption is the direction of expenditure towards commodities (particularly service commodities of education, health, transport) whose production is set in motion by the internal, and now indigenous, class of capital.⁹⁷

We saw that in the initial period of expanded household production during the 1930s and 1940s, the indigenous class was deflected into the formation of merchant capital involved in the circulation of commodities, the expanded production of which was set in motion by international capital. Now, in the contemporary period of expanded production, the separation of households from the means of production is constrained and accumulation within smallholding agricultural production is constricted. Again, there is a movement towards the formation of merchant capital

97. All transport is operated by private capital and self-employed enterprise. Health and education is in part operated by private capital as forms of capitalist enterprise. A relatively high proportion of dependents from middle peasant households, far higher than from other classes, are educated at private and harambee schools during the course of secondary education. Fees at these schools are far higher than school fees for state secondary schools.

within the circulation of commodities, the multiplication of non-agricultural enterprises which devolve upon the expenditures of household revenues.

Table 10. Change in the composition of household consumption in Nyeri District, 1963/4 - 71/2.^a

	Annual Average Change (%) in Components of Household Expenditure (1963 prices)	
	Agricultural Workers	Larger Holdings
Food	+5.8 %	+1.1%
Fuel	-6.0	-6.1
Clothing	+2.7	-2.6
Services	+11.0	+2.9
Others	+4.8	+4.8
All expenditures	+3.0	+0.1
Direct consumption of own production	-5.3	-3.0

a. These estimates have to be treated with a more than usual degree of scepticism. The 1963/4 estimates come from Kenya, Economic Survey of the Central Province, 1963/4 (1968) where expenditures are tabulated by income groups and by district. A judicious use of the 1971/2 budget studies coupled with the consumer price index permitted us to locate the households of agricultural workers and larger holdings in the two sub-locations within the 1963/4 income groups of Nyeri district. Workers' households, as may be expected, are located within the middle income group.

But, in the second movement, the contemporary formation of merchant capital is not constrained by the limits of either the particular segmentations of merchant capital or the limit of circulating capital in general. Between the two periods of expanded household production, passages between the colonial and post-colonial state were marked by the political intervention of internal capital to expand the limits of circulating capital. Subdued capitalist differentiation of the peasantry has fractured the formation of the indigenous bourgeoisie. On the contrary, the specific forms of commercialisation, the direction which the growth of commodity relations has taken, has propelled and been induced by the transformation of the position of indigenous capital, now the dominant fraction within the power bloc of the state.

A second concrete instance of the conjuncture between different forms of capital arises from the conditions of the reproduction of middle peasant households which follow from changes in the commodity forms of production. The change from wattle to tea and other enterprises represents a change from relatively land intensive to labour intensive production, from relatively low to higher labour value forms of production. Change is not a smooth process by which households adjust to differences between relative market prices - falling wattle producer prices in comparison to rising non-wattle producer prices and consumer prices - by shifting components of commodity production. Shifts in market prices are underlaid by shifts in (market) values which arise from the competition, at the international level, between capitals. We saw how differences between individual and

average prices of production provide for the movement of capital to ensure the expansion and contraction of production within different spheres or branches of production. Differences between individual and average prices are dependent in the last instance upon differences between branches of production in the rates of change (however erratic) of productivity. Prices of production provide a regulator (mediate changes in productivity) to force out movements of capital from one branch to another, thereby changing commodity forms of production.

Compounding shifts in commodity forms of production are shifts in the form of the realisation of production to secure the reproduction of households' means of subsistence. Households require not merely larger money expenditures to reproduce the means of subsistence, but also regular (as in the case of tea and dairy cattle) and not seasonal (as in the case of wattle) advances of revenue to realise production.

Change in commodity forms of production is not accomplished mechanically, nor is it a matter of routine. From the late 1940s the switch from wattle to contemporary commodity forms was effected with the intervention of finance capital, with the violence of revolt, with the extended presence of state apparatuses in the countryside and with a shift in the formation of internal capital and the position of the indigenous class within the condensation of class forces which characterises the state.

Within the contemporary period of expanded household production, the reproduction of households is reaching the limits of existing commodity forms of production. Limits are reached not merely by some maximum possible number of households which can be embroiled in commodity production at prevailing values of existing commodity forms. It is by virtue of the expansion of commodity production that limits of reproduction are reached.

In Nyeri District, for instance, the number of holdings actually engaged in tea and dairy cattle production is approaching some maximum number of holdings which can be engaged in the production of these forms.¹⁰⁰ Nyeri District, like other areas in Central Province, was very broadly subject to the implantation of estate capitals and, therefore, to the penetration of international capitals. As production of the two contemporary forms expands across localities (to other provinces),

100. Wattle, both bark and logs, was sold during two short (two-month) periods during the course of a year; milk and green leaf tea, contemporary commodity forms, are sold daily for monthly payments throughout the year.

101. Estimated proportions of households engaged in commodity production in Gatei and Gaikuyu sublocations are:-

	1964	1971
Tea	42 - 77%	57 - 96%
Milk	26 - 48%	69 - 82%

Population growth increases the number of households per holding; for each year the maximum possible number of households is given by the estimated number of households per holding. See Cowen (1974b), pp. 55-60.

to households less involved in commodity production and possessing lower labour values, the expansion of production does not merely force down average market prices (through creating excess supplies of particular commodity forms). Expansion across localities equalises labour values at lower values than would obtain were the expansion of production to be deepened, thereby increasing the productivity of those existing households which are engaged in commodity production. As we have seen, productivity can only be increased on larger holdings, upon units of production which run counter to the family labour processes of middle peasant households.

To repeat, revenues of household producers are employed to reproduce the means of subsistence and not the means of accumulation. At some given level of labour productivity, the reproduction of the average value of labour power has been subject to a necessary increase in the means of subsistence. Yet, an increase in the value of labour power is met as much by the movement of labour out of household production and into the higher specific value positions of non-agricultural employment as by expanded household commodity production. At a higher average value of labour power, the specific labour power of these positions has been subject to a continuous process of devaluation. And, devaluation of skilled labour (whether mental or manual) and supervisory positions has reduced sources of revenue out of wages for disposal to ensure the limitless expansion of middle peasant production. Only the specific process of straddling, a process which was historically conditioned by the formation of indigenous capital prior to the period of expanded household production, guarantees the deployment of revenues to increase productivity on larger holdings, units of production which run counter to middle peasant production.

The penetration of international capital into household production has marked a specific conjuncture in the transition between two modes of production. As such, the limitless extension of middle peasant production cannot ensure the reproduction of households without a transformation of the conjuncture. The conjuncture has encapsulated household production within the limits of the penetration of the most advanced forms of capital into a countryside of small-
holding Agriculture.

An inherent tendency of capital to expand the number of households as worker households and to increase the mass of social labour (absolute surplus value), is matched by the tendency to increase the productivity of workers (relative surplus value). Here the conflict, in the form of a contradiction between the two tendencies, has taken the form of a conflict between two periods of capital, two forms of capital which have emerged from different relations of production.

Between raising the value of labour and decreasing the value of labour power, capital cannot remove or transcend the opposition between capital and labour. Unlike an opposition, a contradiction can be removed and the conflict between the two inherent tendencies can be resolved, particularly at the lower level of abstraction where the conflict is embodied between two periods of capital.

It is in this light that the Swynnerton and World Bank plans should be interpreted. We proposed, at the outset, that notions of reform and redistribution are directed at the internal formation of capital and should be treated as such. The plans are not to be reckoned as conveyances which provide for the transmission of marketing tricks performed by multinational corporations. Nor do the plans necessarily make income distribution worse. The experience of expanded middle peasant production is to be grasped as the relation of production and distribution within the most advanced form of capital. As such, the limits of household production are determined by the limits placed against the penetration of international capital into a social formation which embraces a condensation between two periods of capital.

APPENDIX: PRODUCER AND CONSUMER PRICE INDICES

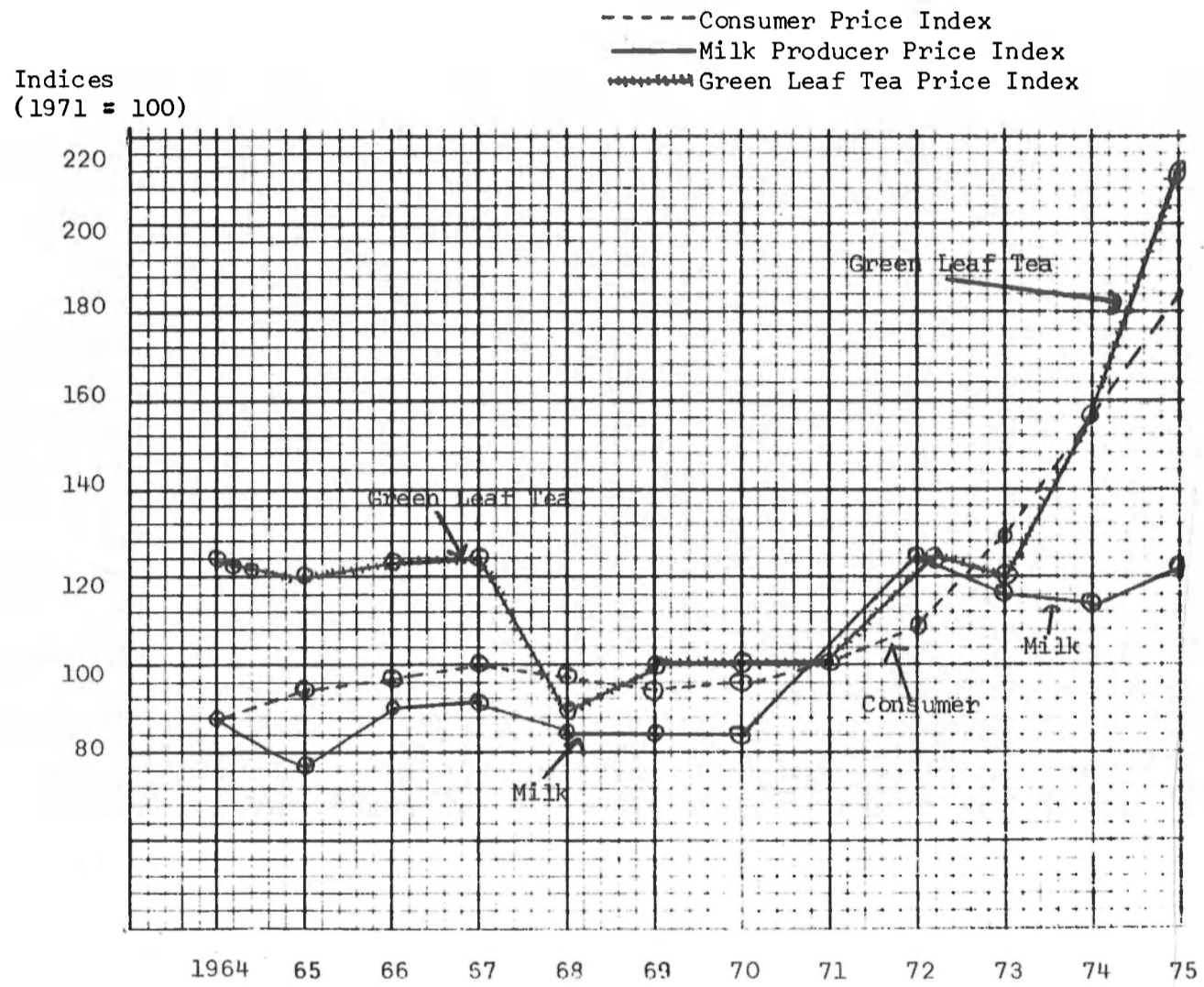


Figure 3. Producer and consumer price indices for Magutu Location, Nyeri District, 1964-75.

Table 11. Producer and consumer price indices for Magutu Location, Nyeri District, 1964-75.

	MILK ^a	GREEN LEAF TEA ^b	MILK	GREEN LEAF TEA	COST OF LIVING INDICES ^c	
	Average Payout (Cents/gal)	Net Price (Cents/lb)	Payout Price Index (1971=100)	Payout Price Index (1971=100)	Agricultural Workers (1971=100)	Farmers (1971=100)
1964	216	37	88	123	86	87
1965	192	36	78	120	94	94
1966	224	37	91	123	99	97
1967	224	37	91	123	102	100
1968	208	27	85	90	100	98
1969	208	30	85	100	95	95
1970	205	30	84	100	97	97
1971	245	30	100	100	100	100
1972	305	37	125	123	114	110
1973	287	36	117	120	133	129
1974	282	47	115	157	165	156
1975	300	64	122	213	198 ^d	186 ^d

a. Source: Mathira Dairymens' Co-operative Society, Annual Accounts and Payout Vouchers, 1964-75. Monthly payout prices (which do NOT exclude deductions for self-help activities) are averaged to give the annual payout producer price.

b. Source: Kenya Tea Development Authority, Annual Reports, 1964/5 - 74/5.

$$\text{Net Payout Price} = \frac{\text{1st Payment} + 2\text{nd Payment}}{\text{Combined Cess Rate}}$$
 The second payment is based upon the bonus given to green leaf producers in Mathira Division from financial surpluses earned at the Ragati Tea Factory. Payments and cesses are fixed annually within the financial year 1 July - 30 June.

c. Source: Cost of living indices were compiled from household budget surveys carried out in Magutu Location over 1971/2. Indices comprise eighteen commodities. The price series for commodities were derived from Nairobi prices.

d. Estimated from Kenya, Central Bureau of Statistics, Quarterly Digest of Statistics.

REFERENCES

1. Amin, S. 1974. Capitalism and Ground Rent: The Domination of Capitalism over Agriculture in Tropical Africa. Dakar, African Institute for Economic Development and Planning (IDEP).
2. Amaden, A. 1971. International Firms and Labour in Kenya. London, Frank Cass.
3. Arrighi, G. 1973. 'International Corporations, Labour Aristocracies and Economic Development in Tropical Africa'. In G. Arrighi and J. Saul, editors. Essays on the Political Economy of Africa. New York, Monthly Review Press.
4. Bailey, M. 1974. 'Capital Utilization in Kenya Manufacturing Industry'. Ph.D. thesis, Massachusetts Institute of Technology.
5. Banaji, J. 1975. 'Modes of Production in a Materialist Conception of History'. mimeo.
6. Banaji, J. 1976. 'The Peasantry in the Feudal Mode of Production'. Journal of Peasant Studies. 3 (3).
7. 'Beecher Report'. 1949. Kenya Colony and Protectorate. African Education in Kenya: Report. L.J. Beecher, Chairman. Nairobi, Government Printer.
8. Bennet, G. 1965. 'Settlers and Politics in Kenya'. In V. Harlow and E. Chilver, editors. History of East Africa. Volume two. London, Oxford University Press.
9. Bernstein, H. 1976. 'Capital and Peasantry in the Epoch of Imperialism'. Economic Research Bureau, University of Dar es Salaam.
10. Bharadwaj, K. 1974. 'Production Conditions in Indian Agriculture'. Occasional Paper No. 33. Department of Applied Economics, Cambridge University.
11. Carchedi, G. 1975a. 'On the Economic Identification of the New Middle Class'. Economy and Society. 4 (1). (32)
12. Carchedi, G. 1975b. 'Economic Identification of the State Employees'. Social Praxis. 3 (1/2).
13. Carchedi, G. 1975c. 'Reproduction of Social Classes at the Level of Production Relations'. Economy and Society. 4 (4).
14. Chayanov, A. 1966. Theory of the Peasant Economy. Homewood, Illinois, Irwin.
15. Chenery, H. et al. 1974. Redistribution with Growth. London, Oxford University Press.
16. Child, F. 1973. 'An Empirical Study of Small-Scale Rural Industry in Kenya'. Working Paper No. 127. Institute for Development Studies, University of Nairobi.
17. Clayton, A. and Savage, D. 1974. Government and Labour in Kenya, 1895-1963. London, Frank Cass.
18. Cowen, P. 1972. 'Differentiation in a Kenya Location'. Paper presented at the East African Social Science Council Conference, held in Nairobi, December 1972.

Univ of E. CAS Conf on 3rd Dec 1983
(20) 00

19. Cowen, M. 1974a. 'Patterns of Cattle Ownership and Dairy Production, 1900-1965'. University of Nairobi, mimeo.
20. Cowen, M. 1974b. 'Concentration of Sales and Assets: Dairy Cattle and Tea in Magutu, 1964-1971'. Working Paper No. 146. Institute for Development Studies, University of Nairobi.
21. Cowen, M. 1975. 'Wattle Production in the Central Province: Capital and Household Production, 1903-1964'. University of Nairobi. mimeo.
22. Cowen, M. 1976. 'Capital and Households'. Part one. University of Nairobi. mimeo.
23. Cowen, M. and Murage, F. 1972. 'Notes on Agricultural Wage Labour in a Kenya Location'. Centre of African Studies, University of Edinburgh.
24. Cowen, M. and Newman, J. Forthcoming. 'Real Wages in Central Kenya, 1942-1974'.
25. Cummings, R. 1976. 'The Early Development of Akamba Local Trade History'. Kenya Historical Review. 4 (1).
26. Davies, R. 1973. 'The White Working Class in South Africa'. New Left Review 82.
27. Etherington, D. 1974. Smallholder Tea Production in Kenya: An Econometric Study. Nairobi, East African Literature Bureau.
28. Feder, E. 1976. 'Uganda's Little Green Revolution: World Bank Scheme for Self-Liquidation of Third World Peasantry'. Economic and Political Weekly. 11 (14) April.
29. Fine, B. and Harris, L. 1976a. 'Controversial Issues in Marxist Economic Theory'. The Socialist Register 1976. London, Merlin.
30. Fine, B. and Harris, L. 1976b. 'State Expenditure in Advanced Capitalism: A Critique'. New Left Review. 98.
31. 'Flemming Report'. 1960. Great Britain. Commission on the Public Services of the East African Territories and the East African High Commission. Report. G.N. Flemming, Chairman. (n.p.)
32. Ghai, D.P. 1968. 'Incomes Policy in Kenya'. Need, Criteria and Machinery'. East African Economic Review. 4 (1).
33. Grillo, R. 1974. Race, Class, Militancy. New York, Chandler.
34. Johnson, G. 1971. 'The Determination of Individual Hourly Earnings in Urban Kenya'. Discussion Paper No. 115. Institute for Development Studies, University of Nairobi.
35. Harbeson, J. 1973. Nation-Building in Kenya: The Role of Land Reform. Evanston, Northwestern University Press.
36. Harris, J. and Todaro, M. 1969. 'Wages, Industrial Employment in a Developing Economy: The Kenya Experience'. Eastern Africa Economic Review. 1 (1).
37. Harrison, R. 1975. 'Chayanov and the Economics of the Russian Peasantry'. Journal of Peasant Studies. 2 (4) July.
38. Hesselmark, O. 1976. 'Maize Yields in Kenya'. Nairobi, Maize and Produce Board.

39. Hesselmark, O. 1977. 'The Marketing of Maize and Beans in Kenya'. Working Paper No. 300. Institute for Development Studies, University of Nairobi.
40. Hesselmark, O. and Lorenzel, G. 1976. 'Structure and Problems of the Maize Marketing System in Kenya'. Zeitschrift für Ausländische Landwirtschaft.
41. Heyer, J., Ireri, D. and Moris, J. 1971. Rural Development in Kenya. Nairobi, East African Publishing House.
42. Heyer, J., Maitha, J. and Senga, W., editors. 1976. Agricultural Development in Kenya. Nairobi, Oxford University Press.
43. Hindess, B. and Hirst, P. 1975. Pre-Capitalist Modes of Production. London, Routledge and Kegan Paul.
44. Hindess, B. and Hirst, P. 1977. Mode of Production and Social Formation. London, Macmillan.
45. House, W. and Rempel, H. 1974. 'Determinants of and Changes in the Structure of Wages and Employment in the Manufacturing Sector of the Economy, 1967-1971'. Discussion Paper No. 207. Institute for Development Studies, University of Nairobi.
46. House, W. and Rempel, H. 1975a. 'Role of Competitive Forces in the Determination of Wage Increases in Less Developed Economies: The Case of Kenya'. Working Paper No. 245. Institute for Development Studies, University of Nairobi.
47. House, W. and Rempel, H. 1975b. 'Impact of Unionisation on Negotiated Wages in the Manufacturing Sector in Kenya'. Working Paper No. 244. Institute for Development Studies, University of Nairobi.
48. Hunt, D. 1975. 'Growth versus Equity? An Examination of the Distribution of Economic Status and Opportunity in Mbere, Eastern Kenya'. Occasional Paper No. 11. Institute for Development Studies, University of Nairobi.
49. Hunter, J. 1969. 'Development of the Labour Market in Kenya'. In I. Stewart, editor. Economic Development and Structural Change. Edinburgh, The University Press.
50. Institute for Development Studies. 1973. 'An Overall Evaluation of the Special Rural Development Programme'. Occasional Paper No. 8. Institute for Development Studies, University of Nairobi.
51. Institute for Development Studies. 1975. 'Second Overall Evaluation of the Special Rural Development Programme'. Occasional Paper No. 12. Institute for Development Studies, University of Nairobi.
52. International Labour Office 1972. Employment, Incomes and Equality: A Strategy for Increasing Productive Employment in Kenya. Geneva, I.L.O.
53. Kay, G. 1975. Development and Underdevelopment: A Marxist Analysis. London, Macmillan.
54. Kenya. 1975. Basic Salary Scale for the Kenya Civil Service.
55. Kenya. Central Bureau of Statistics. Ministry of Finance and Planning. 1976. Economic Survey 1976. Nairobi, Government Printer.

56. Kenya. Central Bureau of Statistics. Ministry of Finance and Planning. 1976. Statistical Abstract 1976. Nairobi, Government Printer.
57. Kenya. Ministry of Finance and Economic Planning. 1962, 1964. 'Farm Economic Survey Unit Reports, Nyeri District'. Nos 21 and 25. Nairobi.
58. Kenya. Ministry of Finance and Planning. 1973. 'Guidelines for the Determination of Wage Awards'. Issued to the Industrial Court, 23 August 1973.
59. Kenya. Ministry of Finance and Planning. 1976. 'Wage Guidelines'. Issued to the Industrial Court, 3 February 1976.
60. Kenya. Ministry of Economic Planning and Development. 1968. Economic Survey of Central Province, 1963/4. Nairobi, Government Printer.
61. Kenya. Public Service Salaries Review Commission. 1967. Report. Nairobi, Government Printer.
62. Kenya. Colony and Protectorate. 1922, 1931, 1948. Code of Regulations for Officers of the Government Service. Nairobi, Government Printer.
63. Kenya. Colony and Protectorate. Education Department. 1925. Annual Report 1925. Nairobi, Government Printer.
64. King, J. 1972. 'Wages, Employment and Productivity in Kenya: A Comment'. Eastern Africa Economic Review. 4 (1) June.
65. Kinyanjui, K. 1976. 'Some Aspects of Distribution of Education'. mimeo.
66. Kinyanjui, K. and Shepard, D. 1972. 'Unemployment among Secondary Leavers in Kenya'. East Africa Journal. 9 (8).
67. Kitching, G. Forthcoming. 'The Rise of an African Petit-Bourgeoisie in Kenya, 1905-1918'. Journal of African History.
68. Lamb, G. 1974. Peasant Politics: Conflict and Development in Murang'a. London, Davison.
69. Legassick, M. 1975. 'The Analysis of Racism in South Africa: The Case of the Mining Economy'. In Conference on Socio-Economic Trends in South Africa. African Institute for Economic Development and Planning (IDEP), Dar es Salaam.
70. Leitner, K. 1976. 'Workers, Trade Unions and Peripheral Capitalism in Kenya after Independence'. Ph.D. thesis, Free University of Berlin.
71. Leys, Colin. 1975. 'The Rise of an African Petty Bourgeoisie in Kenya'. In Conference on Development Trends in Kenya. Centre of African Studies, University of Edinburgh.
72. Leys Colin. 1975. Underdevelopment in Kenya: The Political Economy of Neo-Colonialism. London, Heinemann.
73. 'Lidbury Report'. 1954. Great Britain. Commission on the Civil Services of the East African Territories and the East African High Commission. Report, 1953-54. Sir David Lidbury, Chairman. London (?).

74. MacWilliam, S. 1976. 'Some Notes on the Development of Commerce in Nyanza, 1900-1945'. African Studies Working Paper No. 4. Murdock University. June.
75. Maitha, J. 1973. 'Capital-Labour Substitution in Manufacturing in a Developing Economy: The Case of Kenya'. Eastern Africa Economic Review. 5 (2).
76. Mamdani, M. 1976. Politics and Class Formation in Uganda. London, Heinemann.
77. Marx, K. 1976. Capital. Volume One. Harmondsworth, Penguin.
78. Munro, J. Forbes. 1975. Colonial Rule and the Kamba: Social Change in the Kenya Highlands, 1889-1939. Oxford, Clarendon Press.
79. Mureithi, L. 1974. 'A Production Function Analysis of Different Firm Sizes in Kenya'. Working Paper No. 183. Institute for Development Studies, University of Nairobi.
80. Muriuki, G. 1974. A History of the Kikuyu, 1500-1900. Nairobi, Oxford University Press.
81. Mutiso, G.C. 1975. Kenya Politics, Polity and Society. Nairobi, East African Literature Bureau.
82. 'Ndegwa Report'. 1971. Kenya. Report of the Commission of Enquiry (Public Service Structure and Remuneration Commission). D.N. Ndegwa, Chairman. Nairobi, Government Printer.
83. Nyamu, H. 1975. The State of the Civil Service Today (a critical appraisal). Nairobi, Government Printer.
84. O'Connor, J. 1975. 'Productive and Unproductive Labour'. Politics and Society. 5 (3).
85. Pack, H. 1972. 'Employment and Productivity in Kenya Manufacturing'. Eastern Africa Economic Review. 4 (2).
86. Porter, R. 1973. 'Towards an Export Policy for Kenya'. Working Paper No. 105. Institute for Development Studies, University of Nairobi.
87. Poulantzas, N. 1975. Classes in Contemporary Capitalism. London, New Left Books.
88. 'Pratt Commission'. 1963. Kenya. Report of the Local Civil Service Salaries Commission. L.J. Pratt, Chairman. Nairobi, Government Printer.
89. Prewitt, Kenneth. 1972. 'The Functional Justification of Inequality and the Ndegwa Report: Shaping of an Ideology'. Paper presented at the East African Universities Social Science Conference, held in Nairobi, December 1972.
90. Roling, N. et al. 1973. 'Rapid Development for Kenya's Small Farms'. Discussion Paper No. 173. Institute for Development Studies, University of Nairobi.
91. Rosenberg, D. 1977. 'The "Labour Aristocracy" in Interpretation of the African Working Classes? Working Paper No. 315. Institute for Development Studies, University of Nairobi.

82. Ross, W. McGregor. 1927. Kenya from Within: A Short Political History. London, Frank Cass.
83. Rubin, I. 1972. Essays on Marx's Theory of Value. Detroit, Red and Black.
84. Rudra, A. 1976. 'Hiring of Labour by Poor Peasants'. Economic and Political Weekly. 11 (1/2).
85. Sandbrook, R. 1975. Proletarians and African Capitalism. London, Cambridge University Press.
86. Sen, A. 1962. 'An Aspect of Indian Agriculture'. Economic Weekly.
87. Senga, W. 1973. 'Wages, Market Imperfections and Labour Absorption in Kenya Manufacturing Industries'. Eastern African Economic Review. 5 (1).
88. Senga, W. 1976. 'Kenya's Agricultural Sector'. In J. Heyer, J. Maitha and W. Senga, editors. Agricultural Development in Kenya. Nairobi, Oxford University Press.
89. Shivji, I. 1975. Class Struggle in Tanzania. Dar es Salaam, Tanzania Publishing House.
90. Singh, M. 1969. The History of Kenya's Trade Union Movement. Nairobi, East African Publishing House.
91. Singh, A. and Whittington, G. 1968. Growth, Profitability and Valuation. London, Cambridge University Press.
92. Sorrensen, M. 1967. Land Reform in the Kikuyu Country. Nairobi, Oxford University Press.
93. Smith, A. 1976. 'The Immigrant Communities (1): The Europeans'. In D. Low and A. Smith, editors. History of East Africa. Volume three. London, Oxford University Press.
94. Smith, L. 1976. 'An Overview of Agricultural Development Policy'. In J. Heyer, J. Maitha and W. Senga, editors. Agricultural Development in Kenya. Nairobi, Oxford University Press.
95. Spencer, J. 1975. 'Kau and "Mau Mau": Some Connections'. Paper presented at the Cambridge Conference on the Political Economy of Kenya.
96. Stewart, F. 1976. 'Kenya Strategies for Development'. In U. Davachi, G. Routh and A.R. Ali Taha, editors. Development Paths in Africa and China. London, MacMillan.
97. Stewart, F. and Weeks, J. 1975. 'The Employment Effect of Wage Changes in Poor Countries'. Journal of Development Studies. 11 (2).
98. Stichter, S. 1976/7. 'Imperialism and the Rise of a "Labour Aristocracy" in Kenya, 1945-1970'. Berkeley Journal of Sociology. 21.
99. Thompson, N. 1975. 'Company Formation in Kenya with Particular Reference to the Role of Foreign Capital'. Working Paper No. 267. Institute for Development Studies, University of Nairobi.

11. Swainson, N. 1976a. 'The History of Investment in Kenya before 1945'. Working Paper No. 242. Institute for Development Studies, University of Nairobi.
11. Swainson, N. 1976b. 'The Role of the State in Kenya's Post-War Industrialisation'. Working Paper No. 275. Institute for Development Studies, University of Nairobi.
11. 'Swynnerton Plan' 1954. Kenya Colony and Protectorate. A Plan to Intensify the Development of African Agriculture in Kenya. Compiled by R.J.M. Swynnerton. Nairobi, Department of Agriculture.
11. Teachers Service Commission. 1969. Circular (Finance) No. 7. Nairobi.
11. Teachers Service Commission. 1975. Circular No. 7. Nairobi.
11. Tiberondwa, A.K. 1976. 'The Status of African Teachers in Independent Africa'. Education in Eastern Africa. 6 (2).
11. 'Report'. 1953. Kenya Colony and Protectorate. Report: Inquiry into the General Economy of Farming in the Highlands... L.G. Troup, Commissioner. Nairobi, Government Printer.
11. Von Freyhold, M. 1976. 'The Post-Colonial State and its Tanzanian Version'. University of Dar es Salaam. mimeo.
11. Wasserman, G. 1976. Politics of Decolonisation: Kenya Europeans and the Land Issue. London, Cambridge University Press.
- Weeks, J. 1974. 'Employment Growth in Kenya Manufacturing'. Discussion Paper No. 21. Birkbeck Department of Economics, London.
12. Wolpe, H. 1972. 'Capitalism and Cheap Labour in South Africa: From Segregation to Apartheid'. Economy and Society. 7 (4).
12. Wolpe, H. 1976. 'The "White Working Class" in South Africa'. Economy and Society. 5 (2).
12. Wright, E. 1976. 'Class Boundaries in Advanced Capitalist Societies'. New Left Review. 98.
- Yudelman, M. 1976. 'The Role of Agriculture in Integrated Rural Development Projects: The Experience of the World Bank'. Paper presented at the Sixteenth International Conference of Agricultural Economists, held in Nairobi, 26 July to 4 August.