
**From
Rhodesia
to
Zimbabwe**

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Alternatives to poverty

Roger Riddell

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ROGER RIDDELL

Catholic Institute for International Relations
1 Cambridge Terrace, London NW1 4JL

ROGER RIDDELL is presently engaged on a dissertation on Land Policy for Zimbabwe at the Institute of Development Studies, University of Sussex. He has been in close contact with Rhodesia for the last twelve years. He has worked there both as a teacher and as a Jesuit missionary. After gaining his degree in Economics at the University of Rhodesia, Mr. Riddell jointly published the first Poverty Datum Line Study for Rhodesia. He lectured to civics and trade union courses at Silveira House Development Centre in Salisbury and taught Economics at the Chishawasha Major Seminary.

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Introduction

Since Rhodesia's Unilateral Declaration of Independence in 1965, the emphasis in the international news media has been on Rhodesia's political and constitutional problems. This has become increasingly the case as the civil war has escalated since 1972 and the debate has focussed on how best to solve Rhodesia's immediate problems and effect a transition to majority rule.

The social and economic structures which the new government will inherit are founded on entrenched exploitation. Inequality permeates every aspect of Rhodesian society—land distribution, job reservation and wage differentials, housing policies, education facilities, health and social services.

Rhodesia is often portrayed as a land of large profitable farms, thriving industry, modern cities and rich natural resources. It is also a country where the majority of the people live in abject poverty. Such poverty, which has been perpetuated by the colonial structures of Rhodesian society, has become more widespread through the killing and maiming of civilians, the razing of villages, destruction of livestock, burning of crops and herding thousands of people into 'protected villages' in the regime's losing battle against the nationalist forces.

This paper is the first in a series which will attempt to examine the unjust social and economic structures facing the new Zimbabwe. Each of the papers will take as its starting point the question, 'how can the new government of an independent Zimbabwe provide for the basic needs of the poorest sectors of society?' We hope that these studies will make some useful contribution to the discussion about the future of that country where the struggle for independence goes on.

Rt. Rev. DONAL LAMONT,
Bishop of Umtali, Rhodesia.
August 1977.

Alternatives To Poverty

This is an attempt to analyse the prospects for economic development in an independent Zimbabwe. But it cannot be addressed entirely to the future, for not even a convincing military victory by the Liberation Army will wipe the slate clean. Any attempt at policy-making must begin by dealing with the past and the present, and only then can an assessment be made of where changes should and could be made. The present mode of development also needs to be carefully analysed because it is essential for external agencies and Churches who are currently involved in education and development projects in the country to understand the effect that the 'help' they give has upon the overall structure — their actions may well be helping to buoy up a system that they themselves condemn. For example, it could be argued that to pump massive support into the tribal areas of present-day Rhodesia, although it may well help the subsistence farmers who receive it, also shores up the present economic structure which is in fact leading to greater poverty and increasing unemployment. A change of face in government is no guarantee whatsoever that the colonial economic structure of the country will also change.

Thus what I intend to do first is examine the present pattern of development in Rhodesia, analysing the broad structures that have evolved through time so as to understand the root causes of

poverty and underdevelopment and the dominant role that the state has played in this process. Only this perspective will provide a base for discussion of prospects for the future. *Inter alia*, I hope to show three things. First that, contrary to popular opinion, Rhodesia is not isolated from the international community: it is highly integrated with and dependent upon world capitalist development. Secondly, in spite of government statements to the contrary, Rhodesia is not an example of competitive capitalism but rather one of tight state control of the economy. Thirdly, to think of the Rhodesian economy as a dualistic one consisting of modern and backward sectors which are linked together solely by the movement of labour migrants from one sector to another is highly misleading¹. As will become clear in the discussion, Rhodesia's present development path is totally incapable of solving the problems of poverty, unemployment and inequality. A radically different approach is necessary if one assumes that these issues would receive priority.

In the second half of the paper I will outline the sort of changes which would be necessary if the country is to adopt a development strategy resting on *Basic Needs*. In doing this, however, I am fully aware of beginning to fall into the trap of Utopianism: of proposing naive economic solutions for an independent Zimbabwe divorced from critical political and strategic factors and the present power struggle which is going on in the country and along its borders. I will conclude by giving some reasons why I think that even this approach, in no way the most radical, is unlikely to achieve success in the short term.

RHODESIA'S PRESENT DEVELOPMENT STRATEGY

It was in the late nineteenth century when foreign mining interests moved northward from South Africa that what is now Rhodesia was affected by world capitalist expansion in any systematic way. Quite quickly, however, the anticipated mining boom had manifestly failed to occur, and by the beginning of this century resources were already being diverted to capitalist

agriculture. For the next two decades foreign-based mining, settler-based agriculture and small-scale local mining operations dominated economic development. In the 1930s, the country's small industrial sector began to expand assisted by the setting up of an iron and steel works. After World War II industrial expansion was rapid and by 1954 manufacturing had overtaken European agriculture as the leading productive sector of the economy. Yet the rise of the country's industrial manufacturing base did not lead to a decline in either commercial agriculture or the mining sector and today all three are of major importance to the economy. From Table 1 it can be seen that the volume and value of the Manufacturing, Agriculture and Mining sectors have all increased significantly from 1966 to 1975. While Manufacturing is now responsible for a greater proportion of Gross National Income, it is mining and agriculture which are responsible for the major part of the country's export earnings.

Table 1: LEADING PRODUCTIVE SECTORS OF THE RHODESIAN ECONOMY IN \$ MILLIONS Volume Index: 1964 = 100.

Sectors	1966			1975 ¹		
	Value	%	Volume Index	Value	%	Volume Index
Manufacturing	122.9	18	98.6	474.5	25	204.3
European Agriculture	85.8	12	112.8	216.3	12	172.2
Mining	45.2	7	105.3	132.5	7	186.6
Gross Domestic Product (Factor Cost)	688.5	100		1,909.5	100	
Gross Operating Profits: Companies	130.2			559.5		

Source:

Monthly Digest of Statistics, January 1977 (Supplement). Tables 12 and 13.

¹ Figures for 1976 are not yet available yet preliminary estimates show that while Manufacturing has been depressed, both Agriculture and Mining had record years. The Economist Intelligence Unit, *Quarterly Economic Review of Rhodesia, Malawi*. 1st Quarter 1977, p. 11-12.

The growth of these three leading sectors has been due to both foreign and local capital interests. In Agriculture many of

1. The dualistic approach to development is used by The Whitsun Foundation in its paper *An Appraisal of Rhodesia's Present and Future Development Needs*, Whitsun Publication No. 03, Salisbury, 1976.

the mixed farms are in the hands of local white farmers and have received support from the state; but the big estates such as Triangle, Hippo Valley and Mazoe Citrus are in the hands of Multinational and largely South African capital interests. In the Mining industry foreign — South African, United States and British — capital predominates. In the Manufacturing sector both local and foreign capital interests are present. Before UDI British capital was important, but since then both South African and local capital have superseded it. Finance capital is dominated by South African and British firms. In general local capital has increased in importance in recent years but foreign capital has played and continues to play the most important part in the country's present development. It has been a critical factor in the creation of Rhodesia's economic structure. In 1965 it was estimated that foreign liabilities amounted to some £500m and the foreign sector accounted for 68 per cent of net profits. Since then the foreign sector liabilities have risen to at least £800m.²

From Table 2 it can be seen that foreign trade constitutes a significant and growing part of overall economic activity: exports account for some 20 per cent of total production and have risen by 150 per cent since UDI. Imports of both consumption and capital goods have risen and in spite of sanctions Rhodesia has not found it too difficult to raise capital abroad. For example in 1972 she raised a loan of R\$63.5m for expansion of her steel production: most was raised in Western Europe.³

The overall success of capitalist expansion can be gauged from long-run growth figures. In the twenty years to 1975, the economy has grown at an annual average rate in real terms of

2. In 1970 Rhodesia converted to a decimal monetary system, at the time R£1 = R\$2. In this paper '£' refers to the British pound and '\$' refers to the Rhodesian and not the United States dollar. International monetary conversions are difficult to make because there is no official conversion rate for the Rhodesian dollar. However £1 sterling is approximately equal to R\$94. The figures in the text are taken from C. Stoneman *Foreign Capital and the Prospects for Zimbabwe World Development* Vol. 4, No. 1, January 1976, pp. 25—28.

3. *Special Report of the Security Council Committee Established in Pursuance of Resolution 253 (1968) Concerning the Question of Southern Rhodesia in the Expansion of the Rhodesian Iron and Steel Company Limited*, UN Security Council Special Supplement No. 3, New York, 1975.

about 5 per cent and in the eleven years since UDI the growth rate has been nearer to 6 per cent. Profits have been buoyant: as can be seen from the last row of Table 1, gross operating profits of companies increased by over 300 per cent between 1965 and 1975. More recently, however, with the increasing costs of the war — which in March amounted to some \$700,000 a day — worldwide depression and political pressures, the economy has been facing its most serious crisis ever. GNP fell by 3 per cent in real terms during 1976 and this downward trend has continued into 1977. It is the development of this crisis which is, in part, the reason for our debating alternative development strategies for the future.

Table 2: EXTERNAL TRADE — SELECTED YEARS — \$M.

	1965	1972	1973
Imports	239.6	274.2	372.0
Exports	284.9	328.4	470.0
Gross National Income	722.2	1,377.5	1,508.9

Source:

The Economist Intelligence Unit, *Quarterly Economic Review, Rhodesia, Malawi Annual Supplement 1976*, p. 16—19.
Seventh Report of the Security Council Committee Established in Pursuance of Resolution 253 (1968) Concerning the Question of Southern Rhodesia, UN Security Council May 1975, S/11594/Add 3.

Rhodesia's long history of rapid economic growth has been made possible through both explicit and implicit policies of the state. The state has encouraged the leading sectors of the economy to expand in a number of ways, but the most important has been its *labour policy* which over time has led to a gradual integration of the African rural areas into the overall development process. We are all acutely aware of the racial laws and policies in existence in Rhodesia at the present time, but it is important to realize that the removal of these laws from the statute books will not solve the problems of poverty and unemployment. For ninety years, labour policies have created a rigid structure of dependence and underdevelopment in the Tribal Trust Lands (TTLs) of the country. The interdependence of all sectors of the economy needs to be understood before alternative

strategies of development can be assessed: and this can only be done through historical analysis. When the settler and capital interest groups first entered the country they needed labour for their mining enterprises; the indigenous population being for the most part self-sufficient farmers, were unwilling to work as labourers — indeed they sold some of their surplus produce to the early settlers. So initially the government resorted to force and a system of taxation as a means of extracting labour from the local population. As new capital was channelled into agriculture, the settlers faced additional problems: along with their need for more labour they also demanded more land. By the early 1900s they had begun to evolve a system of 'native' Reserves, placing the indigenous population on reserved land from which they were not allowed to move. In time, forced labour became less widespread but taxation did not induce enough of the population to offer themselves for work. As a result the government and the companies turned to foreign sources of labour, and by the 1920s over 60 per cent of the total labour force was foreign.

Meanwhile, the growing capitalist agricultural sector still faced competition from indigenous producers. Up to the 1930s and 1940s, therefore, the government introduced discriminatory measures making it highly disadvantageous for tribal cultivators to market their produce.⁴ The long term effect of these discriminatory measures, of the fixity of land supply and of increasing population was to lead to a gradual deterioration of production in the Reserves. In time the Reserves were not able to support their population and more and more people offered themselves for work in the modern sectors of the economy. There was a time in the late 1940s and early 1950s when the supply of labour from the Reserves roughly equalled the demand in the modern economy, but this is no longer the case. Today the number of people wanting to leave the Reserves to look for work far and away exceeds the demand. This has led to changes in labour policy. Foreign labour has been encouraged to return home, and since 1958 some 120,000 have done so.⁵ New vagrancy laws have been

4. For example, The Maize Control Act of 1931.

5. *Monthly Digest of Statistics, August 1976*, Table 5, Central Statistical Office, Salisbury, 1976.

passed to control more strictly the movement of labour from the Reserves, changes in the educational system encourage the emergent population to look for work in the reserves and in the last two years labour has been exported to the South African mines; it is expected that this year the number going to South Africa will exceed 30,000.⁶

But these recent measures have had only a marginal effect. The result of the present growth-oriented strategy, encouraging rapid expansion in the Manufacturing, European Agricultural and Mining sectors of the economy, has been to create a vast unemployment problem. From Table 3 it can be seen that between 1969 and 1975 199,000 new jobs were created in the modern economy. But in the same period 459,000 Africans reached employment age. Thus the modern economy failed to provide employment for some 50,000 men and 210,000 women between 1969 and 1975, a shortfall of some 37,000 jobs a year. If all foreign labour left the country, it would still be necessary for about 55,000 male and 61,000 female jobs, a total of 116,000 jobs, to be created each year in the next ten years for all net additions to the potential labour supply to be accommodated in modern-sector employment. Yet between 1969 and 1975, a time of very high growth rates, fewer than 30,000 jobs were created each year. The current development strategy is simply incapable of absorbing the available and future workforce.⁷

Table 3: AFRICAN EMPLOYMENT, MODERN SECTOR, IN '000S.

	1969		1975		Increase 1969—1975
	Number	%	Number	%	
European Agriculture	300.5	41	353.7	38	53.2
Mining	50.4	7	60.4	6	10.0
Manufacturing	90.8	12	136.1	14	45.3
All Sectors	735.0	100	934.0	100	199.0

Sources:

Monthly Digest of Statistics, January 1977 (Supplement), Table 6, C.S.O., Salisbury.

6. The Economist Intelligence Unit, *Quarterly Economic Review Rhodesia, Malawi, 1st Quarter 1977*, p. 13.

7. For a fuller discussion of employment problems see A. M. Hawkins *African Labour Supplies in The Rhodesian Economy The Rhodesian Journal of Economics*, Vol. 10, No. 2, June 1976, pp. 103—116.

But unemployment is only one problem. The black labour supply system has not only evolved to provide an excess supply of labour, it also provides labour at an extremely low price. Throughout the history of Rhodesia, wages have always been desperately low. In 1975 38 per cent of all Africans in formal employment were employed in European Agriculture (Table 3). From Table 4 it can be seen that some 85 per cent of these employees received cash wages of less than R\$20 a month. Yet a family of five needs about twice this level of wages to remain above the poverty line (Table 5). This gives some indication of poverty among the largest black employment sector. But this is not a static condition of poverty: real wages in agriculture have not risen since 1900 and average wages in fact fell between 1948 and 1973.⁸ The other two sectors paying desperately low wages are the mining and domestic service sectors (see Table 4). It is not surprising that the foreign content of labour in these three sectors is by far the highest, roughly 30 per cent of the total.

In the urban industrial, commercial and service sectors wages are a little higher in absolute terms, but so too is the necessary income a family requires to live above the poverty line.

Table 4: CASH WAGE DISTRIBUTION OF PERMANENT AFRICAN WORKERS, JUNE 1976.

Monthly Cash Income	Agriculture ¹		Domestic Service		Mining		Total Less Agriculture (urban e'plees)	
	E'plees	%	E'plees	%	E'plees	%	E'plees	%
Less than \$20	216,295	85	79,605	63	11,221	18	112,816	20
Less than \$40	247,047	97	125,495	99	39,443	63	274,485	48
Less than \$70	252,764	99	126,636	100	57,521	92	463,272	80
Total	255,077	100	126,636	100	62,576	100	575,349	100

Sources:

Wage Distribution of African Employees by Industrial Sector for the Month of June 1976, C.S.O. Salisbury. DL/1061/100, February 1977.
1. These figures exclude 112,811 Casual, Seasonal and Contract Labourers whose rates of pay are in general even lower than those paid to permanent employees. See D. G. Clarke, *Contract Workers and Underdevelopment in Rhodesia*, Mambo Press, Gwelo, 1974.

8. D. G. Clarke *Agricultural and Plantation Workers in Rhodesia* Mambo Press, Gwelo, 1977, pp. 35—38.

From Tables 4 and 5 it can be seen that some 80 per cent of urban workers receive less than the PDL necessary income of R\$76 — a far higher proportion than in neighbouring South Africa. Furthermore, poverty for these workers is not decreasing; there are more people below the poverty line today than there were in 1957.⁹

Table 5: POVERTY DATUM LINE AND UPDATED ESTIMATES.¹

Rural Family of Five ²	February 1974	\$34.56
	December 1976	\$43.74
Urban Family of Five	August 1974	\$60.74
	December 1975	\$68.03
	December 1976	\$76.34

Source:

D. G. Clarke *Structural Trends Affecting Conditions of Labour for African Workers in Rhodesia*, *The Rhodesian Journal of Economics*, Vol. 10, No. 2, 19.

R. C. Riddell and P. S. Harris, *The Poverty Datum Line as a Wage-Fixing Standard*, Mambo Press, Gwelo, 1975, p. 68.

Notes: 1. The estimates have been calculated from the Consumer Price Index for Lower Income Urban Families. MDOS, January 1977, Table 5. There is no rural consumer price index. The rural PDL has to be treated cautiously; for its correct use see Riddell and Harris, pp. 52—73.

2. Where 2 family sizes were used in the original P.D.L. calculations, the smallest size has been taken here.

Wages can be kept at such low levels because of the accommodating mechanism of the labour Reserves. Workers are not paid anything like the full amount necessary to provide for the basic minimum needs of their families. The shortfall in necessary income is largely made up through the continual support from the Reserves: sometimes food is sent to the urban areas, more commonly a worker's dependants live and are provided for in the Reserves. Thus the Reserves are not only a source of labour supply, but they also directly contribute to the growth of capital accumulation in the modern sectors of the economy.

Low wages lead in general to higher profits and these profits can be sustained because the labour Reserves are supporting the

9. R. C. Riddell *Poverty and the Wage Structure*, *The Rhodesian Science News*, Vol. 8, No. 7, July 1974, p. 202.

dependants of wage labourers. The development of the modern sector is therefore built upon the underdevelopment of the reserve economy. It is not possible to isolate the high growth rates that accrue in the modern sectors of the economy from the stagnation and increased poverty of the Tribal Trust Lands.

Some 60 per cent of the country's population live in the TTLs where the average income from agriculture amounts to about \$10 a month. Conditions are bad and getting worse. There are increasing reports of malnutrition, over-grazing of land, growing landlessness and chronic underemployment caused by the inability of the modern economy to absorb the labour supply. The government stated recently that "about two-thirds of the TTLs are not able to support their population in less than a normal year".¹⁰

These labour and wage policies have created structural rigidities in the economy which have been reinforced by other aspects of state policy. The state has encouraged the leading sectors of the economy to expand through its system of taxation and capital grants, its pricing policies, its subsidies and its planning of infrastructural development. When it is realized that government expenditure, including loans, capital expenditure and local government expenditure, accounts for some 40 per cent of total gross domestic product then the ability of the government to influence the economy directly can be clearly seen.¹¹

The state has helped to create a system where profits are high and where the benefits of growth have been channelled to a very small proportion of the whole population. This rapid growth benefits above all the white population from whose ranks have come representatives of both local and international capital as well as the majority of skilled workers. Considering only those who are in formal employment (and thus excluding the vast majority of the black poor in the tribal areas), Table 6 depicts the racial wage gap. In 1975, average white monthly wages were

10. *Rhodesia, Parliamentary Debates House of Assembly*, Vol. 84. Col 560, June 1973.

11. D. G. Clarke *The Growth and Impact of the Public Sector, The Rhodesian Journal of Economics* Vol. 6, No. 3, September 1972, pp 48-60.

\$423, black wages \$39; in the ten years since 1965 the black-white wage-gap has doubled from \$195 to \$384.

Table 6: MONTHLY WAGES FOR FORMAL EMPLOYMENT BY RACE IN \$.

	1965	1975	Ten Year Increase
Average White Wage	216	423	207
Average Black Wage	21	39	18
Wage Gap	195	384	189

Source: MDOS, January 1977 (Supplement), Tables 6 and 7.

The gap between the beneficiaries of the current development process and the low-paid is perpetuated through various institutional mechanisms. Trade union wage bargaining is not allowed in the two poorest paid and largest employment sectors, agriculture and domestic service, while in the other sectors strike action is in practice illegal.¹² Together with a highly discriminatory educational system and discrimination in agricultural marketing, labour policies ensure that only a small number of blacks become skilled workers, productive farmers or white-collar workers.

But even if racial legislation were removed, the rigid structure of the economy would ensure that the beneficiaries continued to be a very small fraction of the total population. Only radical change right through the economy would have any impact. The changes that have taken place over the past few months go no way towards solving the problems of growing poverty because they affect only those Africans who are comparatively wealthy; they do not get to the root of the problem. Take, for example, the recent Land Tenure Amendment which allows black farmers to purchase land in the previously-white rural areas. Only an insignificant number of blacks have the resources to purchase farms at market prices and many of these will have alternative sources of income; what is more there are over 400 vacant farms in the small black capitalist-farming areas, the African Purchase

12. P. S. Harris *Industrial Relations in Rhodesia The South African Journal of Economics* Vol. 42, No. 1, 1974, pp. 65-84.

Areas.¹³ Similarly opening up industrial land to black capitalists, while it might well help to make the manufacturing sector slightly more efficient, will not lead to significant expansion in black urban employment.

THE BASIC NEEDS APPROACH TO DEVELOPMENT

So much for the current development strategy. Plainly it is quite inadequate for solving the problem of unemployment and for eliminating poverty. What should be done in the future? To ask this question brings us immediately into the sphere of value judgements for the answer to the question 'what should be done?' will depend upon the weight one gives to factors such as: economic growth, the creation of employment opportunities, the alleviation of poverty, the value one gives to private property, individual freedom and the priority given to the removal of economic dependent relations, etc. The horizon for achieving these goals also has to be considered. Furthermore, to discuss possible scenarios for the future brings us back to the problem I posed at the beginning: the danger of divorcing ideals of an optimum strategy from the realities of what may be politically possible in an independent Zimbabwe coming to birth amidst the conflicts of present-day Southern Africa.

What follows now is an outline in very broad terms of the types of change that would be necessary on the basis of two objectives: *satisfying the Basic Needs of the poorest sectors of the population and providing productive employment for all by the year 2000*. I shall, initially and very artificially, ignore the role of the state and of politics and assume that this strategy is politically possible to achieve. Aware of the limitations of such an approach I have chosen this methodology for a number of reasons. While I do not contend that this would entail *the* most radical approach which could theoretically be adopted, the suggestions made require fundamental far-reaching changes in the economic structure and so provide a very different alternative from the present approach. This will enable one to view other proposals for change in a broader perspective. But, perhaps

13. *Rhodesia, Parliamentary Debate House of Assembly*, Vo. 94, No. 14, Col. 1357, August 1976.

more importantly, it offers those bodies and institutions with influence on Zimbabwe's development strategy some guidelines in deciding where to exert the economic and political influence they have. Finally, the reason I have chosen this Basic Needs Approach is that it is the specific strategy which the 1976 ILO World Employment Conference in Geneva proposed that all developing countries should adopt for the next twenty-five years.

The whole thrust of the Basic Needs Approach is to eliminate absolute poverty. It focuses attention first and foremost on the poorest sectors of the population. Instead of concentrating on raising an abstract index of output the whole purpose of development is human welfare. All efforts are channelled to this objective. This does not mean that growth is abandoned but rather that productive growth is seen as the means of eliminating poverty and each aspect of growth is evaluated for its efficiency in meeting basic needs.

Basic Needs consist of three elements. First, the satisfaction of minimum family requirements for private consumption; adequate food, shelter, clothing, household equipment and furniture. Second, the establishment of essential services provided by and for the community at large, such as safe drinking water, public transport, health and basic educational facilities. The third need is for mass participation in decision-taking and in the making of decisions which affect the people. This need is neither to be considered peripheral to basic needs nor an optional extra: it is wholly bound up with the other two. Flowing from these needs are the need to provide an industrial base which will produce these consumer goods and services and the need to provide productive employment for those of employable age.¹⁴

By far the majority of Rhodesia's poor live in the rural areas of the country. They include both those in the Tribal Trust Lands and those who work in the European agricultural sector, so a

14. International Labour Office *Employment Growth and Basic Needs: A One World Problem*, 1976; *Tripartite World Conference on Employment Income Distribution and Social Progress and the ILO: Meeting Basic Needs — Strategies for Eradicating Mass Poverty and Unemployment*, ILO Geneva, 1977, and R. H. Green *Basic Needs, Collective Self-Reliance and Development Strategy*, Institute of Development Studies, Sussex, Mimeo, 1976.

Basic Needs Approach to development would demand radical changes in the rural economy to eliminate this poverty. The present inequitable distribution of land needs to be changed so as to allocate land to peasants with too little land and to the landless in order to establish them on plots which will provide them with productive employment. This is quite possible because in Rhodesia land is available: there are some 4 million acres of unused land in the 'European' areas while a high proportion of European farms are underutilised and heavily subsidised. Between 1973 and 1975 Government paid out the vast sum of \$55.2m for subsidies, losses and assistance in the European agricultural sector, which is on average \$8,000 per farming unit.¹⁵ Whether the land should be used for large-scale co-operative farming or for the expansion of small-scale units cannot be debated here, but what Kenyan evidence shows is that productive small farms can be established fairly rapidly through the sub-division of large white farms which in Kenya tended to be inefficient, highly subsidised and more capital-intensive than a productive employment strategy demands.¹⁶ What is needed is a comprehensive land reform throughout the country, including *both* the tribal areas and the European rural land, and not just marginal changes in land use of the kind which in Kenya left the structure of the Reserves largely untouched and which has led to increased poverty and growing inequality.¹⁷ Of course land reform should not mean land uniformity: parts of Rhodesia's capitalist agricultural sector are highly developed, providing food for internal consumption as well as some 40 per cent of the country's foreign exchange earnings. But Kenyan evidence again shows that exports can be maintained with small farms providing the export crop and Ghanaian experience shows that this is even true for tobacco.¹⁸

15. *Rhodesia, Report of the Comptroller and Auditor-General for the Years Ended 30th June, 1973-1975*, Cmd RR. 1 — 1973-1975, Salisbury.

16. Kenyan Government 1971, Ministry of Finance survey results quoted in G. Holtham and A. Hazlewood *Aid and Inequality in Kenya* ODI, London, 1974-1976, p. 113.

17. International Labour Office, *Employment Incomes and Equality*, ILO Geneva, 1972.

18. M. F. G. Scott, J. D. A. MacArthur and D. M. G. Newberry *Project Appraisal Analysis in Practice* Heinemann, London 1976 and A. J. Sofranko et al. *Agricultural Modernisation Among Ghanaian Farmers*, University of Illinois, 1976.

Yet while a genuine land reform is essential, it is not a sufficient condition for providing productive employment for the rural poor. A whole range of supporting institutions and government policies will also need to be fundamentally changed to ensure that farmers make full use of their land. At present, peasant farmers face discrimination in pricing policies, marketing facilities, the availability of credit and extension services, access to road and rail services and in the availability of necessary farm inputs. All these need to be altered.

Dramatic though these changes in the rural economy need to be, they would form only part of a total integrative strategy. Urban industry also has to be radically restructured to ensure that industrial production is geared to mass consumption rather than to luxury needs. To achieve this, steps should be taken first to call a halt to the growing gap in income distribution and then to narrow the gap. Higher incomes for poorer people will alter levels of demand in favour of production to basic goods industries and also help to prevent the drain on the economy that low wages entail. Eventually a new industrial base geared to the production of necessary consumption goods should contain its own internal dynamism. But at first the radical changes necessary to achieve this end will require a thorough and consistent set of policies to set this virtuous circle in motion.

Rhodesia's external links also need examining. This needs-oriented strategy does not imply a policy of autarky, at least in the short term. Rhodesia is too highly integrated with the rest of the world for autarky to be a real alternative for the foreseeable future, and an independent Zimbabwe needs both foreign technology and foreign know-how to achieve its developmental goals. The essential point, however, is for foreign capital to be integrated into the basic strategy. If the country is to continue to be allied to the West and if multinational corporations continue to play a dominant role in Zimbabwe's development, then the Basic Needs Approach demands that steps be taken to reduce the dominance that foreign capital has over domestic production; while Rhodesia has gained from its relative isolation over the past eleven years in building up local industries, this advantage needs to be augmented through an increase in local research and

development geared to appropriate products and more appropriate technology. Taking the other alternative, of the country becoming allied to the East, then the use of foreign technology and know-how still raises questions for a future development strategy; in addition there is more likely to be serious shortages of skilled manpower in the short term.

To achieve the aims of the needs-oriented strategy, these changes in production need to be accompanied by a change in the inequitable provision of essential services to the population. At present the poor, and especially the rural poor, have nothing like equal access to health, education and other social services. First priority should be given to providing minimum services where at present there are none, rather than continuing present policies which tend to consist in providing facilities for the rich which are already far in excess of minimum requirements.

For example, a radical restructuring of the country's health services is needed both to provide universal access to safe water and adequate sanitation and also to alter the inequitable doctor-patient ratio in favour of the rural areas.¹⁹ Education is another area which demands radical change so that the educational system is more at the service of universal productive employment. At present it is highly selective and geared to modern sector growth. Major changes are also needed in the provision of housing. At present many families are forced to live apart and many houses are overcrowded and scarcely provide adequate shelter. These few examples illustrate the changes that are necessary to provide basic minimum services for the mass of the population.

Finally we have to consider the third element of the Basic Needs Strategy: the demand for self-reliance and participation in decision-making. Self-reliance is crucial because it brings us back to the political possibilities of changing to an alternative development strategy such as the needs-oriented approach and to the role of the state as the key factor in any strategy. The present Rhodesian state is not an impartial observer. It reflects and promotes

19. In 1971 in the urban areas the doctor-patient ratio was 1 : 1, 650 and in the rural areas it was 1 : 45, 446. M. H. Webster *The Employment and Management of Human Resources in Health Service Administration in Rhodesia, Zambia* Vol. 4, No. 1, December 1975, p. 62

the interests of white farmers, local industrialists, white shopkeepers and artisans, the small black elite and foreign capital and financial interests. It is precisely because the poor majority do not constitute a powerful political force that a strategy such as the needs-oriented approach does not exist in Rhodesia.

For the BNA to development to be adopted requires the state to promote the demands of the poor. This necessarily requires the privileged groups, who at present gain from the preservation of the *status quo*, to give up their control of the economy. Because they will not do this willingly, when one talks of self-reliance one is talking about structural changes not marginal tinkering with the system. This is revolution not reformism.²⁰

The debate about power, and whose interests the state should represent, brings us to the uncertainties over the country's future. Ultimately the type of economic and social strategy which Zimbabwe adopts will depend upon the outcome of the present political impasse. And it is here that the economist is acutely aware of the limitations of development theory to provide a reliable guide to the immediate future. Political, economic and strategic factors, national and international, all weave a complex web which makes prediction very difficult.

However, it does seem that present developments within Rhodesia and experience elsewhere both suggest that a rapid change in the economic structure is in fact an improbable outcome. There are too many powerful interest groups with too much to lose. What is more likely to happen is that the deteriorating military situation for the Rhodesian forces accompanied by external pressures particularly from the United States, Britain and South Africa, will lead to some sort of compromise among the various power groups involved in the conflict, but a compromise not radical enough to eradicate absolute poverty over the next 25 years.

In Kenya the colonial economic structure was maintained intact after the independence crisis and multinational corporations now play a leading role in Kenyan economic expansion. This was achieved through buying out the settler farmers at a

20. R. H. Green (1976) p. 11.

cost of some £30m.²¹ To buy out the Rhodesian farmers (whose power lies in their threat to sabotage a major part of the capitalist agricultural sector of the economy) is likely to cost at least £400m if the same criteria were adopted. So the scale of the problem is far greater. Yet a somewhat similar course of action cannot be ruled out, especially when one realizes that foreign interests in Rhodesia amount to some £800m. Pressure from foreign capital interests, and their respective governments, to push through a compromise is very great. Western strategic interests will intensify pressures for a capitalist-type compromise still further. The new splits in the Rhodesian Front, in which the settler-farmer group constitute a minority, form another pressure in the same direction.

This 'solution' does not rule out some of the measures necessary to achieve the removal of absolute poverty demanded by the Basic Needs Approach. Indeed in Ethiopia, for example, the United States gave support to an almost Maoist-type land reform. But if Western capital interests continue to play a *dominant* part in Zimbabwean development then the rural-urban gap is likely to widen rather than narrow and poverty will not be eliminated by the year 2000. But I would like to hope that I shall be proved wrong.

21. For a comprehensive analysis of Kenyan white farmers see. G. Wassermann *Politics of Decolonizing Kenya: Kenyan Europeans and the Land Issues 1960-1965*, African Series No. 17. Cambridge University Press, 1976.

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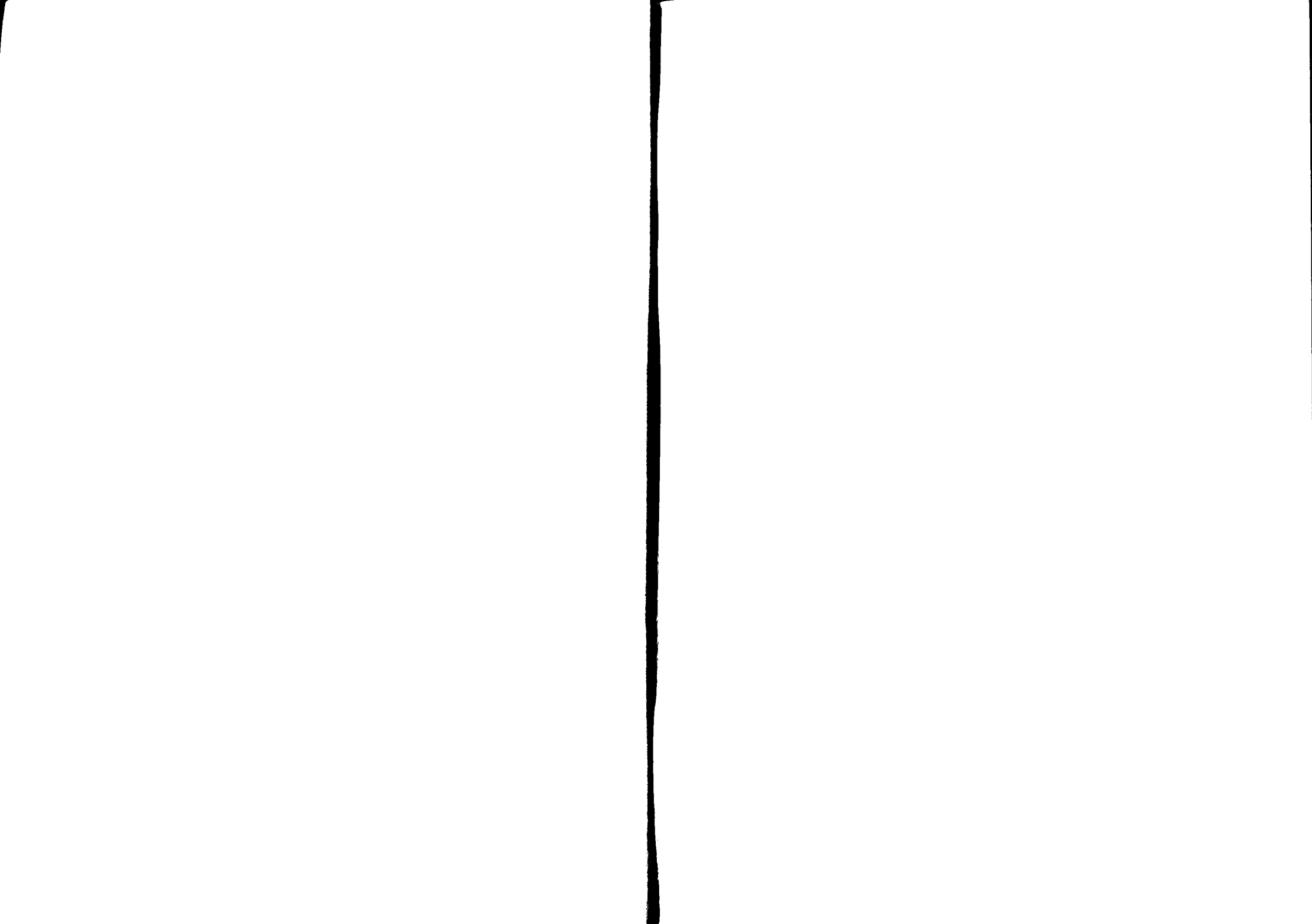
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