*Zambezia* (1978), **VI** (i)

## *ESSAY REVIEW*

# ALTERNATIVE PERCEPTIONS OF DEVELOPMENT IN POST-U.D.I. RHODESIA

FOUR RECENT WORKS[1] are of considerable interest for two reasons. First, a vast amount of factual information, much of it quantitative, is conveyed to the reader who might not be an avid follower of the *Monthly Digest of Statistics* and other official publications. In general the data refer mostly to the 1965-75 period. This is a special interest because a broad collection of post-U.D.I. information in an analytical context is, surprisingly, still something of a rarity in academic literature, although more specialist studies abound in economic journals. It is arguable, however, whether these recent publications will do much to fill the gap. In particular the Mambo papers offer a critical thematic approach whereas Leistner and Handford provide what appear to be predominantly descriptive and uncritical accounts of 'economic change' under conventional broad headings such as population, balance of payments, agriculture, manufacturing industry, transport and communication, and so on.

This leads to the second point of main interest — the different perceptions of 'economic change' in Rhodesia offered by most of Leistner's contributors and by Handford compared with those by Clarke. On the one hand, there is the 'traditional view' of the former group that development is primarily an economic phenomenon and that it is achieved in the way that the industrialized West did in the nineteenth and twentieth centuries — i.e. the 'stages of growth' hypothesis, which calls upon 'the rich countries to supply the "missing components" to the developing countries and thereby to help them to break bottlenecks or remove obstacles. These "missing components" may be capital, foreign exchange, skills or mangement'.[2]

According to this view, then, effective economic sanctions following U.D.I. should have frustrated economic development in Rhodesia; but the statistics suggest differently, at least for the period 1965-75, and a most plausible explanation of this is that sanctions were not sufficiently effective to offset the domestic forces of energy, enterprise and resource creation. It is this argument which is so strongly emphasized by Handford and more cautiously presented in Leistner. The economic links with South Africa, and Portugal, became much stronger and more vital with the result that

[1] G. M. E. Leistner (ed.), **Rhodesia : Economic Structure and Change** (Pretoria, The African Institute, 1976), 239 pp., R8,50; J. Handford, **A Portrait of an Economy under Sanctions 1965-75** (Salisbury, Mercury Press, 1976), 203 pp., Rh$3,50; D. G. Clarke, **The Distribution of Income and Wealth in Rhodesia** (Gwelo, Mambo Press, Occasional Paper, Socio-Economic Series No. 7, 1977), 125pp., Rh$1,80; and **Unemployment and Economic Structure in Rhodesia** (Gwelo, Mambo Press, Occasional Paper, Socio-Economic Series No. 9, 1977), 81 pp., Rh$1,35.

[2] P.F. Streeten, 'Changing perceptions of development', *Finance and Development* (Sept. 1977), 14-16.

sanctions were, to some degree, avoidable; also there existed a surplus of physical capital in 1965 together with reasonably sophisticated financial markets to channel savings into investment, and emergency powers were sought by Government to make more effective a controlled re-allocation of resources. Real growth of G.N.P. exceeded six per cent per annum over the period — a favourable rate compared with previous years and also by international comparison. Since 1975 (not covered by the material reviewed here) economic growth has been stagnant, partly because of the world depression and more significantly because of the war which has claimed an increasing proportion of domestic resources as well as foreign exchange.

The 'traditional view' thus favours a capitalistic development progress and rules out different styles of development. Even as late as 1975 most Whites in Rhodesia had envisaged the post-U.D.I. period as a temporary state of affairs preparatory to a 'settlement' after which the *status quo*, socially and politically, would not be much changed. Of course, this is not surprising as most Whites are of the West, and some control, as Clarke would say, the means of production. The 'traditional view' recognizes social change but not political change, as a necessary outcome of economic development. Socio-economic shifts are treated as secondary and evolving only gradually over time.

Yet there is an alternative perception of development, or rather of underdevelopment, which is that 'the rich underdevelop the poor'. The rich-poor relationship produces and maintains underdevelopment. In its international context this perception may be used to explain the ever-widening gap between the industrialized West and the non-oil struggling emergent countries; or it can be used, as Clarke does, to propagate the view that it is European dominance which has brought about continued and deepening social and economic inequality and injustice for a substantial majority of the Black population in Rhodesia. 'True' development and economic change, it is held, can only be accomplished from within the system and not through external aid. Imports of capital goods and economic growth via G.N.P. are secondary to social and political change. Given the Black-White dichotomies in Rhodesia the remedy is obvious.

However, I find both these views less than convincing. What evidence is there to suggest that the 'traditional' linear growth-path would survive sanctions let alone a war which, it appears, can only be solved by some kind of effective political change? And if one accepts the alternative view, the questions which need to be asked are how a socio-political change is either a necessary or sufficient condition for future development, and whether the substitution of a Black for a White elite is necessarily a real socio-political change for the majority of the population?

The two opposing views as presented have perhaps been much over-simplified in the attempt to contrast the different approaches by which an economy might achieve more equitable development which has some economic underpinning. In a political sense, however, these views do tend to become polarized whereas a more promising development strategy requires, in my opinion, some integration of these polar approaches.

In the four volumes under review, however, there is little middle ground between these perceptions. Leistner's Foreword to seventeen essays — all, presumably, written in 1975 — emphasizes that the contents are 'confined to economic aspects' but then, interestingly, directed to 'the problems associated with the process of development and change'. His stated objective is 'to provide an objective and authoritative review of the Rhodesian economy since 1965 and its present structure'. Certainly we have both objective and authoritative accounts of several areas of economic interest in post-U.D.I. Rhodesia — not surprisingly, in view of the fact that the authors include serving or retired civil servants and senior executives of Government agencies and public bodies. There are no disclaimers that the views are merely personal, and the readers, therefore, must be resigned in the main to official authoritative reviews rather than critically analytical approaches. Only five of the seventeen essays can lay any claim to critical analysis but the volume as a whole will be a useful reference for economists and other interested observers of the Rhodesian Economy since U.D.I. In fact there is also much historical material in each of the contributions carefully deployed to set the scene at U.D.I.

The sub-title of the volume 'Economic Structure and Change' leads one to expect an analysis of a changing structure or, in the absence of change, then at least a prognosis from the existing structure recognizing the considerable forces impacting upon it. Disappointingly, there is very little analysis or even recognition of the 'problems' associated with the process of 'development and change 'other than references to shortages of the traditional 'missing components'. Structural changes as seen by Leistner's contributors become evident only as shifts in emphasis which result from domestic adjustments required to preserve the social and political *status quo* following U.D.I. and economic sanctions. The traditional perception of development dominates and 'change' is identified through statistics rather than policies and ideas.

There are, however, two particular exceptions: E. L. Williams's chapter, 'Perspectives on Rhodesia', which is an exceptionally useful introduction, and A. M. Hawkins's 'The Economy: 1924-1974'. Williams's essay is more a travellogue through time but is invaluable as a beginner's potted history leading up to 1975. The history is useful, especially on legislation to entrench distinctions between Blacks and Whites. Williams appreciates change:

> in the City's night spots White Rhodesia still relaxes without any suggestion or atmosphere of the approaching end of an era . . . white governmental power resides in Rhodesia [and] whatever finally happens to Rhodesia's racial future, one thing is certain: there can be no effective return for any length of time to the position of yesterday. History is again on the march.

Such a prognosis and its implications for the economy is almost completely lacking in the following essays — a remarkable situation in 1975-6! Hawkins, while strong on statistics, does show a welcome awareness of the tensions in the development process (as does G. Kay in his essay, 'The population') in an otherwise sterile volume. He questions the validity of the G.N.P. growth rate and there is a (regrettably) brief discussion of development criteria which shows concern for the significance of income and wealth distributions: 'a problem that apparently will only be solved politically rather than by the adjustment of existing economic policies'. But the necessary conditions are not spelled out, and so it is not quite clear whether Hawkins is seeking 'middle ground' and a reconciliation of alternative perspectives or a more radical solution; from his earlier sympathetic assessment of the dual nature of the economy one must assume that it is the 'middle ground'.

Clarke in his two Mambo Occasional Papers sets out from a position of apparent frustration with the socio-economic implication of the present economic structure. These volumes, each of about 25 000 tightly printed words (with as many following pages devoted to 56 Tables of statistical information in the first of the two) were both written over periods of two months early in 1976. In *The Distribution of Income and Wealth in Rhodesia,* which is somewhat unbalanced in presentation. Clarke draws out in fine detail the self-evident conclusion of a 'high level of income inequality in Rhodesian society'. Incomes are, however, painstakingly and usefully contrasted in Chapter Two, which comprises 70 per cent of text, from personal, social and occupational data sources for Whites, Coloureds, Asians and Blacks taken as separate groups in so far as the published data will permit. This is justified as a socio-economic exercise to illustrate the heterogeneous nature of wage-labour in Rhodesia. Legislation and convention combine within the perpetuation of the existing economic structures to enforce a widening of the income gap between Europeans and Africans.

The remainder of the book is rather weak in both content and analysis. The chapter, 'Distribution of Wealth and Assets', which runs to only eight pages, is concerned mostly with land ownership and is offered to support the analysis of inequality in the distribution of incomes. Not much analytical weight is given to the relative shares of profits and wages in a trivial two-page chapter on the subject, and this is a disappointing feature of the book. This is also unfortunate because the lack of analysis leads Clarke to a questionable conclusion (which is evident also in *Unemployment and Economic Structure in Rhodesia).* Noting the decline in the share of wages, he writes:

> One remarkable change is recorded . . . profits gained at the expense of wages, the share of the former rising particularly in the post 1968 period . . . in simple terms the rich and those with capital have been relatively advantaged by *structural trends.* Another way of conceiving these trends is a weakening of the *general influence of labour* . . . (p.48, my emphasis).

Regarding the post-U.D.I. period as a secular trend is a somewhat naive assumption. A more plausible interpretation would be to recognize the partial impact of a cyclical movement about a trend and to give some weight to political and subsequent external economic constraints which might have operated to create a shift in the technical conditions of production. The impact of these economic conditions could most surely not have been extrapolated as a trend from the 1950s and early 1960s. The post-U.D.I. production processes more fully utilized relatively scarce capital and, furthermore, might well have operated with a more labour-intensive technology — conditions which, one fancies, Clarke would welcome, especially as these figure among his options 'for changing the economic structure in the direction of expanding the volume of adequately remunerative and productive employment' set out in *Unemployment and Economic Structure.* The increased share of profits observed by Clarke is not a 'remarkable change' but the predictable outcome when capital becomes relatively scarce and expensive under technical conditions where the elasticity of substitution between capital and labour is less than unity which is the more likely value.[3] One is inclined to suppose that Clarke thinks this is a White capitalist plot to

[3] S. W. Sinclair, *Urbanisation and Labour Markets in Developing Countries* (London, Croom Helm, 1978).

weaken the 'influence' of Black labour. 'Influence' and wage shares, however, do not necessarily correspond.

The controversy about technology among economists in Rhodesia stems from Faber[4] who suggested that the production progress was becoming increasingly capital intensive in the late 1950s and early 1960s as a result of excessive foreign capital investment during the period of Federation. It seems, however, that Faber overlooked the distinction between the stock of capital and its utilization at a time when the economy was on a downswing in the business cycle. The effective capital — labour ratio was overestimated by Faber, but it appears that his analysis and predictions have since been used, mistakenly, by some economists discussing the Rhodesian economy. Clarke belongs to this group and he thus fails to see post-U.D.I. profit and wage shares in their correct perspective. Hence we have some confusion. Clarke must implicitly assume, for his analysis to be correct, that the elasticity of substitution is in excess of unity as capital takes the place of labour in a growing economy. This is highly questionable in Rhodesia. Clarke proposes minimum wage legislation as an effective means to increase remuneration, but if his assumptions are correct then the demand for labour will fall and this is not, surely, a desirable objective. If, however, my more plausible interpretation is accepted, then Clarke's 'general influence of labour' since U.D.I. might well have weakened in the sense that its share of income has fallen; but this is but one interpretation of his phrase which is ambiguous. In areas where the demand for labour was rising, post-U.D.I. minimum wage legislation might have been potentially more effective. It could well have been the highly elastic supply of relatively unskilled operatives, which was the proximate cause of the alleged lack of effectiveness of minimum wage legislation rather than entrenched discrimination by Government or the pervasive influence of capitalism.

The choice of appropriate technologies is at the root of the development problem for upon this is dependent both employment and income distribution. A change in political system, if necessary, is most surely not sufficient for development and growth. This issue gets scant attention in Leistner, none in Handford (although it is claimed that 'the whole of this book is about development'), and unfortunately rather less than adequate treatment from Clarke, who does, however, emphasize that he is analysing present 'structures' rather than proposing solutions. Solutions, nevertheless, are proposed for employment in *Unemployment and Economic Structure* which also contains a careful analysis of the problems. Wage-labour for Blacks is a critical requirement of Clarke's view of the Rhodesian economy because the peasants' ability to produce sufficient for subsistence is regarded as a 'myth' and wage employment, therefore, is vital for survival. The degree of 'official' unemployment is shown to be a considerable underestimate and the rapid increase in post-U.D.I. African employment is said to be due not only to industrial import-substitution policies (technical factors are not mentioned) but also to the 'displacement' effect of migrant labour leaving Rhodesia. Clarke estimates that 26,3 per cent of new jobs have been created between

[4] M. Faber, *Economic Structuralism and Its Relevance to Southern Rhodesia's Future* (Manchester, Manchester Univ. Press, 1965).

1969 and 1975 by an active 'displacement policy' rather than real employment growth. Official statistics support this proposition — the ratio of foreign Black labour in the money economy, as high as 66 per cent in 1921, fell to 45 per cent in 1961, 34 per cent in 1969 and 25,2 per cent in 1974. Given these figures, however, it seems improbable that Clarke's analysis, which claims that 'subsistence' has been a myth, is historically correct, but it is increasingly a more valid proposition from the 1960s with higher rates of population growth and consequently a higher dependence ratio.

Clarke appears sympathetic to the more radical views of the underdevelopment school, for which the crisis is one of political power and control over the means of production. The real issue is taken to be the political system itself and employment 'does not matter' very much. Nonetheless, Clarke rejects the radical solution: 'awareness of "political crisis" is not an adequate surrogate for broad economic strategy'. Are we then to see some reconciliation of the alternative perceptions? It seems so because the solutions which are later proposed ('balances' are suggested but not priorities) are not all radical and are quite compatible with a mixed capitalist economy. However, Clarke tends to be equivocal in his conclusion where the 'politico economic context' is the barrier.

I find Clarke's contributions both stimulating and frustrating. Important issues are raised but the analysis is lacking on some crucial points and his positions become confused.

Handford, without apology, takes a definite position. Rhodesia is 'a country where most of the economic burden was carried by one twentieth of its population'; not concealing his irritation with 'academics', he writes (p.8):

> What is quite inexcusable is the failure to consider whether the inequalities are not the fault of the Africans themselves — whether the inequalities have been corrected significantly in African-run countries — whether white Rhodesians are not making creditable efforts towards altering the position and to some degree have been successful — whether economic generosity has not invariably stopped short of handing over political power, in any country at any period.

Handford uses his writing to convey his obvious enthusiasm for post-U.D.I. Rhodesia in a hostile world. It is very much a personal view, more a political polemic, built upon undeniable but selective facts of successful economic experience in the period 1965-75. Certainly within the framework of 'traditionalist' thinking the performance of the post-U.D.I. economy was remarkable. It becomes a very readable book, if not particularly well-written, with an amazing amount of information in addition to the selected statistics contained within the 200 pages. Clearly much research, time and effort has been given to this book; and in view of this, it seems a pity that there are so few references and the bibliography is so short. This will detract from its future value as a research source.

It is, however, unlikely that this work will have any lasting value as it is, unfortunately, too overtly prejudiced as a balanced appraisal of economic performance following U.D.I. The book abounds with unjustified assertions and is virtually without criticism of official policies — criticism is a favour reserved for enemies of State and academics who might not share his own personal enthusiasms. That Handford asks us to read his book with an open mind is not really important but this does indicate that he has in mind a 'popular' market. However, it is claimed that 'this book is a record of Rhodesia's defiance of sanctions'. It is; and it is also a record of facts and incidents which might be difficult to put together at a later date, although those who look hopefully for some 'classified' material will be disappointed. The book would not have been written had Handford not held such strong views and for this we can be cautiously grateful.

The stark distinction between the 'alternative perceptions' of development reviewed here is that the traditional school emphasizes aggregate or per capita economic growth, whereas the radical school is concerned, primarily, with the distribution of the fruits of production. Neither school provides a programme consistent with increased wealth *and* social justice. In Rhodesia the economic distinction is first clouded by racial inequality and then obscured by attitudes entrenched by one's view as to the partial success or failure of the system. As in much of the rest of the world since the Second World War, Rhodesia has seen unparalleled increases in material prosperity, particularly in the U.D.I. period between 1966 and 1975, yet Blacks' aspirations were deliberately frustrated by a Government which had a pre-ordained faith in individual inequality. It should not be impossible either to provide objective accounts of Rhodesia's economic history or to present a just and realistic prescription for Zimbabwe. It is, however, quite apparent that many informed commentators find these tasks increasingly difficult and the literature becomes more polarized.

Those who see a middle way do not necessarily propose any particular ideology or economic system. The problem is not seen as one in which judgements on success or failure, on right or wrong, need to be enforced upon the existing economic structure but rather as a problem in which the positive benefits of the existing structure might be integrated with policies to alleviate the suppressed political, social and economic aspirations of the Blacks. There are indications in 1978 of some movement in this direction; however, the passage of time and consequent polarization between strategists have diminished the prospect of a stable, prosperous and more equitable growth path.

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