Path to Tanzanian and Kenyan development in the postwar international order : the unresolved theoretical development debate.

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PATH TO TANZANIAN AND KENYAN DEVELOPMENT IN THE POSTWAR INTERNATIONAL ORDER: THE UNRESOLVED THEORETICAL DEVELOPMENT DEBATE

A Dissertation Presented

by

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Dedication

To my father, Agonafer Gashe, who died in the struggle to make it all possible for his children.

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This dissertation owes its debt to the members of my Committee--Professors Gerard Braunthal (Chair), Eric Einhorn, Stephen Resnick and Asa Davis. Each has offered painstaking comments on earlier drafts of this project. Through course work and discussion with Gerard Braunthal, Eric Einhorn, and Stephen Resnick I am able to see the world in a different light. Professor Resnick played a critical role by acquainting me with his (and Professor Richard Wolff's) innovative theoretical work. Many of their theoretical formulations were adopted, though transformed into a form they may or may not agree with.

This dissertation owes its single greatest debt to my chief advisor, Gerard Braunthal, whose many editorial and organizational suggestions were adopted. Without his painstakingly thorough comments at each stage of the dissertation this would not have achieved such shape; and without his general encouragement, understanding, and patience the dissertation grind would have been much more laborious than it was. I thank him so much. Undoubtedly, I take full responsibility for any shortcomings or mistakes that remain in this dissertation.

ABSTRACT

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This dissertation attempts to test the applicability of the neoclassical, orthodox Marxist, and dependency paradigms in light of the development experiences of Tanzania and Kenya. The larger goal of the dissertation is a preliminary formulation of an alternative development approach which is non-essentialist and class focused. In chapter one, the dissertation format as well as statements of the problems are introduced. In chapter two, the international context within which the two countries must operate is discussed. In chapter three, the three theoretical approaches are critically examined. In chapter four, the colonial history of Tanzania and Kenya, designed to acquaint the readers with the two countries is sketched. In chapter five, the two countries' actual development experiences are examined. Specifically, the role of the state, the industrial and agricultural development experiences of both countries are closely examined. In chapter six, the three theoretical

paradigms in light of the experiences of Tanzania and Kenya are assessed. The assessment shows that none of the paradigms fully describes or adequately explains their process of development. Finally, in chapter seven, an all-encompassing alternative development approach based on the concept of "overdetermination" is proposed.

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PART I

THE PROBLEM

CHAPTER 1

INTRODUCTION

Africa is in a period of political, economic, and ecological crisis. After three decades of juridical independence, its states still suffer, both from a lack of political stability (political integration) and from a lack of a "self-reliant" economy capable of meeting, at least, the "basic needs" (food, shelter, clothing, and basic health care) of its people.[1] Its external trade ties, born of its colonial experience, still remain unequal and in many ways resemble the ones that existed during the colonial era.[2] Overwhelmingly, its postindependence trade ties are still with the Western industrialized countries (hereafter ICs). There is very little intra-African trade or trade with socialist countries.[3] In many cases a single IC, normally the ex-colonial "master," is still the key trading partner.[4] Its people's perseverance to overcome these and other obstacles in order to achieve an independent, egalitarian political and economic development continue to meet stiff internal and external resistance.

Externally, key international political and economic institutions (for instance, the International Monetary Fund (IMF) and the World Bank), products of "realist" politics,

seldom attend to the Africans' twin goals of development and political integration--two processes that have preoccupied, with great zeal and vigor, the African people ever since they gained their independence from European colonialism.[5]

The international institutions' principal role have been and continue to be to police the international foreign exchange system and to ensure good payment relations between member states so that the world capitalist system can function smoothly.[6] The concern for the smooth functioning of the international political and economic system, more or less, guide the IC's relations with the African and other "Less Industrialized Countries" (LICs).[7]

Thus, the Africans' repeated pleas to such international institutions for higher and stable prices for their primary commodities, for alleviating their debt burden, for a code of conduct, for a transfer of technology to them via these institutions, and for equal partnership in the international order, continue to be ignored. This is likely to continue so long as the demands by the African countries remain inconsistent with the institutions' stated principles.[8] Even the United Nations' modest resolution, which passed on May 1, 1974, calling for a New International Economic Order (NIEO), failed to significantly alter the intransigence of the IMF and World Bank because it contravened their principles.[9]

Internally, African countries face numerous social, political and economic development problems, including that

of national integration.[10] The political institutions, a legacy of colonialism, are very weak and seldom meet the growing and justified demands of the people for their basic human needs.[11] In those countries, the political elites or "modernizing elites" mostly made up of a group of power-hungry military dictators, incompetent civilian bureaucrats, opportunistic intelligentsia, or a combination of all, are primarily interested in securing their lucrative power position, often as intermediaries between the power brokers in the international system and their own people.[12] This applies to political elites, whether or not they consider themselves "communists," "socialists," "capitalists," or "Africanists."[13]

The rural areas in African countries, though they account for 72 percent of employment and almost 40 percent of the value of exports, [14] are as "stagnant" as ever.[15] This is in the face of a widely acknowledged fact that agriculture will remain the dominant source of income and employment for the foreseeable future. The Economic Commission for Africa (ECA), for instance, projected that the rural sector will provide 53 percent of employment by the year 2008.[16] And yet, the people continue to live on a subsistence agricultural economy. Indeed, many now flock to the cities in the hope of securing a job in order to lead a better life. But once they arrive in the cities they often find themselves in similar or worse situations than before.[17]

Not surprisingly, many of these countries that once were surplus food producers have now become net food importers.[18] Additionally, most of them suffer from ever increasing foreign debt and political instability. This applies even to countries like "socialist" Tanzania, which had been praised by many countries concerned about solving the problems of development in the LICs. Tanzania originally had set out to minimize its foreign dependence and maximize its self-reliance.[19] Of course, we now know that Tanzania accomplished neither of these goals.[20] Indeed, it has become one of the classic examples of economic and political, so called, basket cases in Africa.[21]

Since the late 1950's, various schools of thought have offered different explanations regarding the sources of these problems.[22] Many theorists have endeavored to explain the problem's origin, characteristics, and the means by which they might be remedied. The disparities in these theories--their conflicting views on the nature and solution of the problems--have led to heated, and at times bitter, arguments among the advocates of one or another perspective. Meanwhile, the political, economic and social development problems of the countries continue unabated.

In this dissertation three of the main theoretical paradigms advanced by scholars of the LICs--(a) the developmentalist (neoclassical and structuralist) model, (b) the dependency model, and (c) the orthodox Marxist model--are discussed.

The developmentalist model suggests that the LICs, like Tanzania and Kenya (the subjects of our study), will gradually develop through foreign aid and outside contact.[23] The orthodox Marxist model suggests that development in LICs will come about through a revolutionary change brought on by imperialist penetration and/or internal conflict.[24] The dependency model (b) basically stands model (a) on its head: it suggests that imperialist penetration will cause underdevelopment rather than development in LICs. This implies that LICs can only develop when their internal structures and their foreign relations are fundamentally changed.[25]

There seems to be a disjunction between these neatly constructed theories of development and the realities of development facing the LICs.[26] While much research is conducted in the ICs and the LICs to explain the problems of development, with no conceptual unity, statesmen (sincere or otherwise) are painfully experimenting with development projects influenced by these theories in order to alleviate the development problems of their country. Clear failures are recorded,[27] but some countries hang on the balance. Meanwhile, the theoretical debate and the strategy to overcome development problems in these countries continue unabated--often merely to defend one theoretical stance--however erroneous. Clearly, then, a different, an all-encompassing theoretical approach for planning the political

and economic development of the LICs has to be charted. This situation accounts partly for undertaking this research.

Central Thesis

The argument underlying the following discussion is that none of the development models (paradigms) fully describes or adequately explains the processes of development in the LICs. The implementation of development policies based on and guided by these paradigms will only lead, even if there is economic growth and political stability, to maldevelopment rather than to "sustainable development."[28] What is needed is a "deconstruction" of these paradigms. The concept of development shows the fictive nature of the postulates of each of the paradigms and proposes an all-encompassing alternative approach to social analysis, in particular, to African development analysis.

To anticipate the conclusion, the paradigms reviewed here will be shown to be essentialist (Essentialist epistemology involves a claim to the ability of theory to capture, however complexly, the true [and independent of theory] reality. Essentialist social theory asserts a particular essence that causally determines other aspects of social life. In economistic social theory, the economy [or an element of it such as class] is asserted as the essential determinant of society. In some political theory, institutions [or an element of them such as the party] are often

asserted as the essential determinant of political life), and need to be deconstructed and be replaced by a non-essentialist, an all-encompassing and flexible theoretical paradigm. The paradigm itself is subject to change at any moment and asserts no essential determinant of social life (whether individuals, the party, the economy or theory itself). The practical outcome would be that African countries no longer have to adhere rigidly to one paradigm to guide their development path, as many of them seem to have done with disastrous consequences. Rather, the alternative paradigm proposed will allow policymakers in these countries to jump from one paradigm to another (hold multiple theoretical positions) in order to search for the best theoretical guidance for their country's particular practical problem (itself complex and dynamic) at that particular moment, within the current international political and economic order--or disorder.

Additionally, the current debate about sustainable development and the particular impact of the international system has motivated the two primary hypotheses of this study. The first is that given the existing "realist" influenced international order, "capitalism" as thought of and practiced in Kenya and "socialism," in Tanzania (the two countries analyzed in detail) cannot fundamentally transform their economic and political systems either in the long or short run. There is no workable solution within each to overcome the major obstacles LICs face in their struggle for

development within the contemporary, complex international system.

The second hypothesis is that the ongoing debate by proponents of the various paradigms about development in the LICs is deterministic and cannot fully explain the numerous development problems faced by the LICs. The uncritical application of each of these models will merely lead the country in question into domestic political repression and economic crisis, as well as pressure each into entering a political and economic alliance with one or the other major ICs. As a result it will involve each in the East-West "Cold War" politics--assuming a less heated Cold War will still be with us for some time to come.

This hypothesis will be analyzed theoretically, in chapter three, by comparing the neo-classical, orthodox Marxist, and dependency perspectives on issues of development. By using the case studies of Tanzania and Kenya in chapters four and five, we will compare in chapter five, and assess in chapter six, the practical impact of these theories on the development efforts.

In examining Tanzania and Kenya we will specifically look into three distinctive periods: (a) colonial period, 1950-1961; (b) early independence period, 1961-1967, for Tanzania and 1963-1967 for Kenya; and (c) the Arusha period, 1967-1977 and beyond, for Tanzania.

The three competing paradigms produce a fundamentally different understanding of the development processes of

Tanzania and Kenya. We will argue, in chapter six, that none of the theoretical paradigms is adequate by itself for explaining their problems of development even though each theory provides helpful insights about the cases under study.

The first hypothesis is approached historically and then theoretically from the perspective of "political realism" since, we believe, this paradigm influences the security managers of the industrialized West and industrialized East. We analyze the historical development of the contemporary international system according to the particular writings of this school and how it impacts the development efforts of the LICs (whether or not these countries follow the "capitalist" path as in Kenya or a "socialist" path as in Tanzania) that occupy the lower echelons of the international division of labor.

The contention by realists that a state's "power" explains the contemporary international system, the all-or-nothing approach adopted by the dependency theorists (i.e., in order to build a socialist society domestically, LICs require de-linking from the international capitalist system) and the neoclassical approach, which advocates more economic integration of the LICs into the world capitalist system. These are all rejected on theoretical grounds in chapter six.

In chapter seven, we not only criticize the three paradigms, which produce divergent and deterministic

conceptions of the development processes, but also propose an alternative development theory, which is nonessentialist in its rationale and class based in its focus. This fourth approach to social analysis and, in particular, to the analysis of the processes of development in LICs is adapted from the numerous works of Resnick and Wolff. In this approach a different way of looking at development and, combined with the nonessentialist Marxian notion of class as the process of surplus labor extraction, a different way of constructing development paradigm are produced.

The Rationale for Using Tanzania and Kenya as Case Studies

The rationale derives from the following observations: (i) In the case of Tanzania, it had been praised as a successful "socialist" country in Africa.[29] It experienced growth, at least the first four years after independence. As its early history suggests, trade, which was of an extractive nature and externally imposed, and which had been at the center of the dependency approach, played an important role in its history. It has a unique culture in an African geographic context, different from both the Latin American dependency approach and the European developmentalist approach.

(ii) In the case of Kenya, many developmentalists cite it as one of the few countries in sub-Saharan Africa that achieved high economic growth rates since independence,

making it an economic success story.[30] It also had been subjected to several distinct types of economic and political dependency that are the central concern of the dependency approach. Moreover, its unique culture and history, coupled with its African geographic context, differ significantly from the European-American basis of the developmentalist approach, the Latin American focus of dependency theory, and the erstwhile East European orthodox Marxist approach. Thus, analyzing Kenya and Tanzania might turn up additional explanatory forces by introducing new variables.

The Concept of Capitalism and Socialism

We need to point out the conceptual difference between socialism as advocated by Marx and the one practiced by African countries, like Tanzania. In Tanzania it denotes political and economic power being held by the state as opposed to power being held by the oppressed classes, as suggested throughout Marx's work.

Similarly, the concept of capitalism as practiced in the West and as practiced in LICs like Kenya is also different. In Kenya the state plays a prominent role in investment, surplus extraction, and distribution as opposed to the individuals or private firms driven by market forces in the West. In particular, liberal democracy, a key ingredient for a successful free enterprise system in the West, is not accepted in Kenya and elsewhere in the LICs.

Therefore, when we discuss capitalist Kenya and socialist Tanzania we must keep these differences in mind.

Methodology

This dissertation uses the case study methodology to systematically explicate "facts" and characteristics of development in LICs. We seek to analyze from the available data the theory and practice of development as a deliberate public policy in Tanzania and Kenya, identify development problems, and provide initial theoretical suggestions and conclusions. The goal is to contribute an initial alternative development approach for LICs which is both non-essentialist in its reasoning and class theoretical in focus.

Therefore, we include the class analysis method of political economy. Historically, its scope and method has varied with the individual writer. As Schumpeter noted, [31] the exclusive concern of political economy was the economy of the state or, synonymously, public policies of an economic nature.

J. S. Mill's conception of political economy as explained in his principles exemplified the common problem of definitional ambiguity. For Mill, political economy connoted "the nature of wealth, and the laws of its production and distribution, including, directly or remotely, the operation of all the causes by which the condition of mankind...is made prosperous or the reverse."[32]

For Marx, the emphasis was not just the production of wealth, but also social processes whereby surplus labor is appropriated from its direct producers, the performers of that surplus labor in the producing wealth.

Political economy, as used here, will refer to the complex and contradictory relations between the state and its citizens as manifest in the management, i.e., the distribution and allocation of national wealth. In the same vein, international political economic relations are relations of nations at the level of, inter alia, politics and economics.

The methodology of class analysis will be applied mainly in the last chapter. Historically, it has often been used in a descriptive, mechanical, and refined manner, manifesting structural and often economic determinism.[33] Here class analysis is applied in conjunction with non-class analysis in a dynamic and complex manner, avoiding deterministic abstractionism. The point is that theoretical constructs which attempt to interpret and order social reality must take cognizance of the fact that, as Dale Johnson notes, "social classes are not entities but groupings of concretely situated people engaging in the rigors of daily activities."[34] This cannot be understood by simplifying the complexity and reducing it to simple economic relations, much like Alexander the Great's cutting of the "Gordian Knot."

Marxian theory of class is different from other social theories because it makes a particular notion of class (fundamental and subsumed classes) central to its analysis of social reality and because the relationships between the various classes and non-class processes (for instance, political and cultural processes) of any particular society are understood in terms of a complex pattern of mutual effectivity or "overdetermination." The application of this concept into our method of analysis in the field of political science, it is hoped, is one of the unique contributions of this dissertation.[35]

The concept of "overdetermination" [36] (i.e., the relational concept of our alternative theoretical framework which signifies that each aspect or process of the social formation is mutually determined, mutually constituted by the complex interaction of all the other aspects of the social formation) and "class" will be utilized in order to distance our conception of causation from those paradigms which argue that one aspect determines others. These concepts allow us to consider the contradictory social processes that may be entered into by any given agent or group of agents. The arguments advanced by orthodox Marxists that the Marxist concept of class is an economistic one and everything else is an epiphenomenon cannot refer to the overdetermined concept we will discuss here.

Endnotes

[1]Robert J. Berg and Jennifer Seymour Whitaker, eds., Strategies for African Development (Berkeley, Los Angeles, and London: University of California Press, 1986), pp. 242-243. See also African Farmer: The Key to Africa's Future, Number 1, 1988 (A Hunger Project Publication).

[2]Henry Freedman and Robert Molteno, Pan Africa Handbook (London: Zed Press, 1982).

[3]See, Babu Abdurahman's interesting discussion in African Socialism or Socialist Africa? (London and Tanzania: Zed Press, 1981), p. 50.

[4]For instance, Equatorial Guinea, a Spanish colony until 1968, still buys 80 percent of its imports from Spain and sends 90 percent of its exports there. The exports of Gabon, an ex-French colony, to France in 1976 was 42 percent, and its imports from France in the same year was 69 percent. See Henry Freedman and Robert Molteno, Pan Africa Handbook, (London: Zed Press, 1982), p. 37.

[5]Doubling Development Finance: Meeting a Global Challenge (New York: United Nations Publications, United Nations, 1986) and, David D. Driscoll, What is International Monetary Fund? (Washington D.C.: International Monetary Fund, 1984 and 1985).

[6]Abdurahman, African Socialism or Socialist Africa?, p. 33.

[7]Ibid., 34.

[8]David B. H. Denoon, ed., The New International Economic Order: A U.S. Response (New York: New York University Press, 1979), p. 29. See also The Economist, August 31, 1985, p. 61.

[9]Robert L. Rothstein, Global Bargaining: UNCTAD and the Quest for a New International Order (Princeton: Princeton University Press, 1979).

[10]Anver Versi, "Sustainable Development: A Regional Perspective," in New Africa (1989), pp. 35-42.

[11]Charles W. Kegley, Jr. and Eugene R. Wittkopf, World Politics: Trend and Transformation, (2nd ed.; New York: St. Martin's Press, 1985), pp. 208-240.

[12]Abdurahman, African Socialism or Socialist Africa?, pp. 35-50.

[13]Ibid.

[14]John Ravenhill, "Africa's Continuing Crises: The Elusiveness of Development," in Africa in Economic Crisis, (New York: Columbia University Press, 1986), p. 7.

[15]Robert S. McNamara, "The Challenge for Sub-Saharan Africa," Sir John Crawford Memorial Lecture, 1 November 1985 (Washington, DC: World Bank, 1985), pp. 31-32.

[16]Half of this number are projected to remain under-employed, however. United Nations Economic Commission for Africa, ECA and Africa's Development, 1983-2008 (Addis Ababa: ECA, 1983), p. 59; other data are from World Bank, Accelerated Development in Sub-Saharan Africa: An Agenda for Action (Washington, DC: World Bank, 1981). At current rates of population growth, the absolute size of Africa's agricultural labour force is projected to increase throughout the next century. World Bank, World Development Report 1984 (New York: Oxford University Press, 1984), p. 89.

[17]United Nations Economic Commission for Africa, ECA and Africa's Development, 1983-2008, pp. 93-4.

[18]Doubling Development Finance: Meeting A Global Challenge (New York: United Nations Publication, 1986), p. 24.

[19]J. H. Maeda and I. M. Kaduma, "Development Through Self-Reliance: Towards a New Strategy for Development in Tanzanya," (paper presented to Dag Hammarskjold Project, 1975).

[20]Goran Hyden, "African Social Structure and Economic Development," in Strategies For African Development, ed. by Robert J. Berg and Jennifer Seymour Whitaker (Berkeley, Los Angeles, and London: University of California Press, 1986), p. 66.

[21]Thomas J. Biersteker, "Self-Reliance in Theory and Practice in Tanzanian Trade Relations," in Africa in Economic Crisis, ed. by John Ravenhill, p. 230. See especially, Table 9.5.

[22]Among the neo-classical economists: W. W. Rostow, The Stage of Economic Growth: A Non-Communist Manifesto (Cambridge: Cambridge Press, 1960); Arthur Lewis, "The neo-classical of Development," in The Market and the State: Essays in Honour of Adam Smith, ed. by Thomas Wilson and Andrew Skinner (Oxford: Claredon Press, 1976), pp. 136-137.

Their political counterparts, who were mainly influenced by the writings of Talcott Parsons and Marx Weber, include: Gabriel Almond (Almond and Powell, 1966); A. E. K. Organski (1965). These books exemplify the emphasis on structural-functionalism. Another is David Easton (1953 and 1959), which deals with stability, and is based on Parson's writing for its rational and scientific grounds. Among the orthodox Marxists it suffices to mention Lenin and Maurice Dobb. Dependency theory is shaped by the following: Andre Gunder Frank, "Capitalism and Under-development in Latin America," Historical Studies of Chile and Brazil (1969); Arghire Emmanuel, Unequal Exchange, (London: New Left Books, 1972); Samir Amin, Imperialism and Unequal Development (New York: Monthly Review Press, 1977); Immanuel Wallerstein, "Dependence in an Interdependent World: the limited possibilities of transformation within the capitalist world economy," African Studies Review, 17, No.1 (1974), 1-26. The argument in these books revolves around the character of unequal exchange between the center and the peripheral states in the capitalist world system and the consequences of unequal development.

[23]Michael P. Todaro, Economic Development in the Third World (New York: Longmans, 1981), pp. 70-71.

[24]It should be borne in mind that Marx and Lenin were inconsistent on this issue. Marx reversed his earlier statement on India when he wrote on the Ireland question in 1870: "The English bourgeoisie...has in the first place a common interest with the English aristocracy in turning Ireland into mere pasture land which provides the English market with meat and wool at the cheapest possible prices. It is equally interested in reducing...the Irish population to such a small number that English capital (capital invested in land leased for farming) can function there 'with security.'"

[25]Andre Gunder Frank, "The Development of Under-development," in Imperialism and Underdevelopment: A Reader, ed. by R. I. Rhodes (New York: Monthly Review Press, 1970); see also Celso Furtado, "The Concept of External Dependence in the Study of Underdevelopment," in The Political Economy of Development and Underdevelopment, ed. by C. K. Wilber (New York: Random House, 1973).

[26]The discussion on the development strategies of Kenya and Tanzania in chapters three through six suffice to demonstrate this.

[27]One example would be Tanzania. See John Grimond, "Two routes to El Dorado," The Economist, March 11, 1978, pp. 3-26.

[28]Economic growth alone, even if successful, would not lead a country to a sustainable development. Such development strategy will cause the destruction of other sectors of society and the environment, which in the long run threatens the survival of human beings themselves.

[29]Andrew Coulson, ed., African Socialism in Practice: The Tanzanian Experience (Nottingham: Russell Press ltd., 1979), p. 154.

[30]Hyden, "African Social Structure and Economic Development," pp. 69-70.

[31]Joseph Schumpeter, History of Economic Analysis (New York: Oxford University Press, 1954), p. 21.

[32]J. S. Mill, Principles of Political Economy (London and New York: Longmans, Green, and Co., 1909), p. 535.

[33]Richard Wolff and Steven Resnick, "Classes in Marxian Theory," in The Review of Radical Political Economics (Winter, 1982), pp. 1-18.

[34]Dale Johnson, ed., Class and Social Development (Beverely Hills: SAGE Pub., 1982), p. 29.

[35]Empirical research will focus on primary and secondary sources. The publications of the government of Tanzania and Kenya, the United Nations, the World Bank, the IMF, et al, will be examined especially to obtain the data used in the analysis. An alternative approach to examining the developmental processes of each period would have been through regression analysis of the interactions among trade, domestic resource allocation, production and factor use. However, the socio-political and economic nuances of the Tanzanian social formation and the Kenyan social formation indicate to us a more qualitative, humanistic approach is required. Thus the need to use a non-quantitative comparative analysis.

[36]The concept of "overdetermination" was first used by Freud and later was appropriated by Althusser. But it was Resnick and Wolff who fine tuned the concept of overdetermination previously advanced by Althusser. See Louis Althusser, "Overdetermination and Contradiction," in For Marx (New York: Vintage Books, 1970), pp. 86-119, 209-210, 216-217. See also Sigmund Freud, The Interpretation of Dreams, trans. James Strachey (New York: Avon Books, 1965), pp. 182-183, 327-330, 341-343. Stephen A. Resnick and Richard D. Wolff, "Marxian Epistemology: The Critique of Economic Determinism," in Knowledge and Class: A Marxian Critique of Political Economy (Chicago and London: The University of Chicago Press, 1987), pp. 38-108.

CHAPTER 2

THE CONTEXT: THE INTERNATIONAL POLITICAL AND ECONOMIC ORDER

Introduction

Diverse and dynamic patterns of development, changing income distribution and welfare levels within and between the African countries cannot be explained solely in terms of internal forces. Critical in development theory is the need to relate national changes to the forces at work within the broader international environment.

Since the colonial period the exchange of goods through international trade has comprised a significant share of the national income of African states. Powerful corporations in the form of foreign, private investors have sought to exploit the resource potential of the continent and in doing so have had a significant impact on development through their control over the means of production and investment decisions.

The fragile base of this primary exporting economy is reflected in its dependence on fluctuations in world market prices and on foreign capital and technology for development. External vulnerability has indeed been widespread among African states. Many have experienced a slow growth in export earnings from primary commodities and a deteri-

oration in their terms of trade.[1] National income and government revenue have in turn been affected, making the fulfilment of development plans more difficult.

The feeling of this desperate situation by many African leaders is well expressed in the Arusha Declaration (1967) of President Nyerere of Tanzania (discussed in chapter 5).

> We have been oppressed a great deal, we have been exploited a great deal and we have been disregarded a great deal. It is our weakness that has led to our being oppressed, exploited and disregarded. Now we want a revolution--a revolution which brings to an end our weakness, so that we are never again exploited, oppressed or humiliated.[2]

The current international political order, informed by Realpolitik, has exacerbated this situation. It is to this we now turn our attention.

The International Order

Since World War II the structure and context of the international political and economic order has changed markedly. It has moved from a tight bipolar system with the nation-state dominant to a multipolar system with the nation-state competing in the economic and political spheres, with an increasing number of nation-state actors.[3]

Despite this change, however, as Robert O. Keohane observed, the international order still remains a function of superpower politics (Realpolitik).[4] Moreover, the ideological divide (realist-capitalist versus realist-communist) which informs the superpowers' competition and

the nuclear context in which the competition takes place, compels the superpowers to view other actors in the international system as peripheral to their national security concerns. This is still true even though the political situation in Eastern Europe and the USSR has changed significantly.

The ideological divide and the nuclear context also shape the LICs perception of the two superpowers. For them, the security concerns of the superpowers has a detrimental effect on their development strategy since they must be carried out within the rules created by these powers and their allies. The rules often reflect the security concerns of the superpowers without regard to the developmental concerns of the LICs. In other words, for the superpowers, the stability of the prevailing order takes precedence over everything else.

What do the superpowers mean by international order? Hedley Bull defines it as "those patterns or dispositions of human activity that sustain the elementary or primary goals of social life among mankind as a whole."[5] Such a definition supports the primacy of the state in relation to individuals and the state system in relation to collectivities.

Bull regards "order" as "the condition of the realization of other values," including the pursuit of justice.[6] He admits, however, that the demands for justice relate, in a profound way, to the search for acceptable forms of order.

Yet, only if the party can agree on just results, or if a consensus on an international level can be achieved, can order and justice be reconciled. If not, the state accords priority to considerations of order as against the claims of justice.[7] Bull's system-maintenance image of world order is implied by his preference for order over justice.[8]

Morton Kaplan defined the international system as a "very loose bipolar system" categorized by the uncommitted LICs playing an important and noticeably independent role in world politics.[9] The word "order," where used in this sense, implies purposeful arrangement, which in international affairs in turn implies understood relationships, an observable pattern of repetitive behavior, and the satisfaction of needs or the achievement of goals by the actors concerned.

The international order conceived as a system of state relations, as the definitions thus far suggested by Realists,[10] presupposes that the conscious mind is detached from the world and that the subject transcends objectivity. Such a metaphysical assumption leads to policies of social control that seek to apply "rational" models of homogeneity and order to the world, often with force.

Such a realist international order arrangement that still exists today is under stress.[11] It is now much more complex, interdependent, and dynamic.[12] Therefore, the ICs involved in world affairs within the old context of inter-state relationships miss an important segment of "reality"

that governs contemporary interstate relations. The policy implications of such a practice become adversarial to the development efforts of LICs and in the long run to the ICS as well.

For instance, in American foreign policy, Henry Kissinger writes: "The West is deeply committed to the notion that the real world is external to the observer, that knowledge consists of recording and classifying data."[13] This metaphysical hypothesis, which dichotomizes subject and object, means that the differences between East and West, and North and South in their perceptions of the international order are not the result of complex and dynamic processes, including class and cultural processes, but, according to Kissinger, of different mind-sets. He writes, "The instability of the current world order may thus have at its core a philosophical schism which makes the issues producing most political debates seem tangential."[14]

To regard the political issues as tangential is to call them epiphenomenal, derivative, and accidental vis-a-vis the question of the mind-set, considered the essence. If the mind is the standard of measure, then it follows that rationality is the norm. Once this is asserted, in a blatantly ethnocentric (even racist) way, the norm attaches to the ICs mind. "Empirical reality," Kissinger states, "has a much different significance for many of the new countries than for the West because in a certain sense they never went through the process of discovering it."[15] Thus,

it is the ICs as political actors who think of empirical reality as separate from mind, who "manipulate reality" in order to attain "equilibirum," which is the principle of rational balance in the world. Kissinger writes, "we must construct an international order before a crisis imposes it as a necessity."[16]

This tendency in the discourse (and practice) of international relations can also be found in the speeches and writings of Zbigniev Brzezinski, former U.S. National Security Adviser. For him, the ICs prove that "people can cooperate on behalf of central ideas."[17] In other words, the rest of the world is disorderly not because of material needs, the needs for principles of distributive justice, or decentralized and equal distribution of wealth and resources, but because of a lack of central ideas.

Such a philosophy also guides the USSR's realist informed foreign policy as it attempts to create a contemporary international order in its own image. In general, East and West believe that the world is to be ordered, managed, and shaped from a detached subjective position and according to their respective national security needs.

The corollary of this is that the contemporary world order has created a disjunction, in the perception of countries, between the ICs and the LICs. From the perspective of the LICs, the impact of the basic rules of the contemporary order is perceived as detrimental to their

development efforts, whereas the opposite view is held by the ICs.[18] Such dichotomous views suggest that, unless there is a fundamental change in the order, the system will remain crisis-ridden, under stress, and unresponsive to the LICs' development needs. Eventually it will affect the national security of the ICs and LICs.

Its Evolution

The signposts of such a realist tradition can be traced from the works of Thucydides to St. Augustine to Machiavelli, Clausewitz, and Weber, and to a degree to Hobbes.[19] During this classical period in which the international system lacked central regulation of the use of force, statesmen maintained order and stability via a crude mechanism called the "balance of power."[20] The assumption was that as long as nation-states, individually or in alliance with others, did not allow adversaries to gain military superiority, peace wilI prevail.

While balance of power considerations created mutual anxiety among the European powers concerning their military capability," the primitive nature of weapons technology meant" according to Pearson and Rochester, that in contrast to later periods the allies "were not linked together by any need for coordinated military planning and training, and enemies did not share the common bond of knowing that a fatal decision by one side could mean annihilation for both."[21]

This classical international system was characterized by a relatively low degree of military and economic interdependence that is so prevalent among the contemporary nation-states.[22] Order, therefore, was maintained among European states simply by a crude mechanism known as the balance of power system.

More important, the objectives of nation-states in the classical era were not so much national as personal ones of the various rulers, namely, to enhance dynastic wealth, power, and prestige. Indeed, in this era, the power and the security of the nation-state was often identified with the security of the monarch's own well-being and that of his dynasty. King Louis XIV of France expressed such concern well when he allegedly claimed, "l'etat, c'est moi" ("I am the state").[23]

As time passed, the confluence of events led to European nationalism which in turn led to a new wave of imperialism that resulted in the subjugation of the peoples of Africa and other LICs.[24] Africa was conquered and colonized, while a major portion of its population was scattered and enslaved in the Americas and elsewhere.[25]

A most relevant example is that prior to 1875 not one-tenth of Africa, the second largest continent, had been appropriated by European nations, but by 1895 all but a tenth of it had been.[26] Thus, by 1914, very few countries were left to be colonized in order to dampen European

rivalry for power and glory. According to Craig and George:

> To ensure that the five major actors [states] remained of roughly equal power and to dampen the competition among them, several other rules and practices were institutionalized as necessary means for the operation and maintainance of the system. One of these, the principle of compensation...worked as follows: when one of the great powers acquired or wished to acquire additional territory or resources, it was understood that the other powers also had to receive appropriate payoffs of territory, population, or resources--usually at the expense of weaker states inside or outside of Europe.[27]

The total colonization of Africa was thus the thrust of the 1884-1885 Treaty of Berlin, in which detailed rules were drawn up to guide the Europeans in their scramble for Africa. Such conquests and colonialism kept European powers so busy overseas that they remained peaceful among themselves for a while.[28] In short, as long as war did not involve the great powers and threaten their balance of power, war and disorder in other places was tolerated.[29]

The international order based on the Concert of Europe collapsed with the formation of rival alliances on the eve of World War I.[30] But until then an attempt was made for the first time to establish a formal and conservative structure of world order.[31] Five great powers (Britain, France, Prussia, Russia, and Austria) played a special managerial role in its shaping.[32] They assumed that "world order" could only be maintained by the formal recognition of and vigorous assertion of their rights and responsibilities. At the same time, colonialism became, in the words of

Taylor, a "move" in the European game of the balance of power.[33]

The great powers, reflecting status politics, turned back to Europe as the colonial frontier disappeared before World War I and as some 84 percent of the world's land was already controlled by them.[34] Pearson and Rochester noted, that "imperialist objectives could be accommodated without major conflict as long as there was enough colonial territory to go around, a condition that had evaporated by 1914."[35]

World War I and the successful 1917 Bolshevik revolution in Russia ushered in a new era in international relations. Not only did the revolution begin to challenge the old European order, but it also threatened (and still does in the eyes of a few Western national security strategists) to destroy the world capitalist system, on which western civilization was based, and replace it with a different one based on Marx's vision of a communist world order.[36]

Since the 1917 revolution, and especially since the 1930s, the international system has undergone significant transformation. By the late 1930s the "idealist"[37] paradigm, which was once dominant, was in decline. The 1939 publication of E. H. Carr's classic attack on the idealists' conception of a harmony of interest, or nation-states' morality unrelated to power in international relations, exemplified this decline.[38]

Since the Second World War "realism"[39] has replaced idealism and has been the dominant "paradigm"[40] in the contemporary international order. Scholars like John Herz, George F. Kennan, Walter Lippmann, and Hans J. Morgenthau, drawing from the writings of the classicists mentioned above, articulated the merits of this paradigm.[41] Carr's statement, that "in the international order, the role of power is greater and that of morality less," [42] became the order of the day.

This historical development gave rise to two types of impediment to world order. The first concerns the desire for world hegemony sought equally by the U.S., and the USSR, guided by Realpolitik in the name of national security. The second arises from the structural imbalance of the existing international order. These two factors have a great impact upon how the LICs perceive the West and the East, and how they address their respective national security and development concerns. What are these security concerns?

The Security Dilemma

The concept of security is rooted in the Latin term "sinecura-securitas," meaning "lack of absence of care, of toil and anxiety."[43] The contemporary Great Power security system finds its origin in Europe during the classical era, and has since gradually evolved to incorporate the entire globe.[44]

Since the end of World War II, the concept of security has come to be identified with the global policy formulated by the major powers to stabilize the international system as they saw fit and to avert any new causes of disorder and war.[45] The basic charters of the UN Security Council, the US National Security Act of 1947, and the Convocation of the European Conference of Security and Cooperation in the 1970s, along with many other regional alliances for security purposes, exemplify the superpowers quest for national security.[46]

Security also serves to define and delimit the term of "peace" itself. It is not just any kind of peace, but rather one based on national security considerations. It is international peace which prevents violent disturbances and guarantees the conservation of the dominant systems.[47] In this sense, from the perspective of the Realists, the term "security" has always seemed to imply the maintainance of the status quo favoring the superior power.[48] But it has often been seen by the LICs as impediments to their development aspirations as well as to their special security concerns.[49] The recent U.S. intervention in Panama accentuates this point.

Given the absence of a world government to guarantee international peace and security by monitoring each state's behavior, proponents of a realist theory advocate that each state must in the end look out for its own security, protection, and survival and that nation-states have to

learn from the past, especially from the statesmen who were responsible for maintaining peace via the "balance of power" in Europe in previous centuries.[50] Thus, as long as nation-states, individually or in alliance with others, do not allow adversaries to gain military superiority, national security will be served and peace will be maintained.[51]

The corollary of this is that any major threats to the security of the dominant powers and their allies takes the character of a crisis for the whole system, thus calling for immediate action.[52] Put differently, a threat to the alliance-system is viewed by the major powers as de-stabilizing the global balance of power between them, a balance which, in their view, forms the underpinning of the stability and security of the contemporary international order.[53] (Although the Eastern alliance system is in question by the recent developments in the Soviet Union and Eastern Europe it is still too early to conclude that it is dead.)

From this Realist school perspective regional wars involving LICs are viewed as less threatening, unless they become big enough to threaten the existing balance of power, in which case the superpowers will intervene to contain them.[54]

On the other hand, as noted, the international system viewed from the perspective of the LICs is disorderly, chaotic, and insecure.[55] This is because, what the ICs consider international peace and security, for them means

not only war, but also the presence of structural violence resulting from lopsided international political and economic relationships.[56] Most contemporary LICs continue to suffer from direct military conflict and structural violence.[57]

The LICs repeated attempt to improve their economic and political condition by making proposals such as the New International Economic Order (NIEO), and by supporting the reforms suggested by the Brandt Commission report,[58] continue to be frustrated by the ICs. The latter view the proposals as destabilizing and a threat to their primary pursuit of the maintainance of the status quo. The ICs fail to see (or choose to ignore) that the debate among those visions will help create a new order beneficial for all sides concerned.[59]

For the ICs, the system is in order and, with the exception of minor reforms, they are quite content to live with it. But from the perception of many LICs the order as it relates to them is often what the superpowers want it to be, and therefore necessarily unresponsive to their urgent needs and priorities.[60] This perception is further complicated by the LICs poor political and economic conditions as well as by their internal class and other struggles--a process further complicated by historically produced weak state structures. This is a condition whose source, in part, can be traced back to the colonial era and more often than not leads to a condition that invites super-power intervention.[61]

Several reasons account for the historically produced weak state structure in the LICs.[62] These include the following:

(i) the boundaries of most LICs, particularly African countries, were arbitrarily drawn by Europeans in 1884-1885 at the Berlin Conference, resulting in the forcible incorporation of ethnic groups who do not identify with the artificially created state structures,[63]

(ii) as a result of the LICs instability and the leaders' political insecurity, many leaders spend their time and the countries' meager resources in shoring up their own security rather than planning the countries' long term development programs.[64] Consequently, many people living in the LICs, especially in Africa, fall victim to severe economic problems as well as political repression.

This does not imply that there exists a strong relationship between the internal disorder of LICs and the order and stability of the international system. It does, however, imply that a strong link exists between the security of the leaders in the LICs, on the one hand, and the international order and stability, on the other. For example, while economic problems and political conflicts in the LICs create internal disorder, this disorder, however, provides the elites the opportunity and the excuse to accumulate weapons in order to forcibly control their own

people for the mere purpose of strengthening their political power position.[65]

In this respect, the interests of the ruling elites in the LICs (i.e., to remain in power for life) and the interests of the ICs (i.e., to sell arms and prevent the LIC from aligning with the enemy) coincide, since both have vested interests in the security of the contemporary international order, though for different reasons.[66] Seen in this light, it is no wonder that internal or intra-regional conflicts within and among the LICs are viewed by the ICs as non-threatening (or, peripheral) to the prevailing order (balance of power), and therefore tolerable.[67] The regional conflicts in the Horn of Africa, the Iran-Iraq war, the crisis in Latin America, and the struggle for liberation in South Africa testify to this view.

Indeed, one can argue that the power elites in the ICs are accomplices of the power elites in the LICs in that both share common interests in the continuing internal political disorder in the LICs.[68] This helps the elites in the LICs, as mentioned earlier, to secure their political power position, and allows the ICs to advance their economic and geopolitical interests.[69]

Some of the interests of the ICs include, inter alia, the following:[70] a) keeping the arms industry and the Research and Development (R&D) in the ICs functioning; b) enabling the ICs to test their latest weapons; and

c) providing the ICs the opportunity to demonstrate their reliability in times of crisis to those allies they consider vital to their security and world-wide geopolitical strategy.

In the processes of advancing these interests, the ICs often impinge upon the already internally weak state structures of the LICs in a way seriously exacerbating the existing political, economic, and ethnic problems in those countries.[71] Already, the people in the LICs suffer from a variety of problems such as state legitimation crisis, identity crisis, disarticulated economic development, economic exploitation, political repression, outside intervention, and natural disasters to name a few.[72] What are the implications of this for Africa as a whole and Tanzania and Kenya in particular?

The Implications for Africa

For the people of Africa, who are already confronted by a variety of internal disorders, the international system, which encourages outside intervention with impunity, exacerbates the already worsened political and economic situation for most of them.[73]

As Africans continue their struggle for development in an effort to restore human dignity, it is important that they understand the intricate international environment under which they must operate.[74] Once they are clear about this, then it is possible for them to wage a meaningful

development struggle consistent with their own concrete needs and means.[75]

Thus far, it seems the strategy for development has eluded the Africans. Their development strategists have become the uncritical consumers of either Eastern or Western ideologies rather than formulators of an original and sound strategy to speed up Africa's development by taking the best ideas from the two worlds.[76]

The existing dominant paths of development (i.e., capitalism and socialism) are products of the bifurcated world view, explained above, which advances the geopolitical strategic interests of the superpowers more than they fulfill the pressing development needs of the African people.[77] Both paths of development have been formulated with little effort made to understand the "complexities" as perceived by the ultimate "beneficiaries" in Africa. Both ideologies claim that their respective development path guarantee a rosy future for the people.

As our case study of "socialist" Tanzania and "capitalist" Kenya will show, the intellectuals of both camps manage to justify sacrifices for the great mass of the population rather than for themselves. As Berger observed, "It is the intellectuals who proclaim the myths and work the theories, and usually the others who pay the price in sweat and blood."[78]

Under "capitalism," as our case study will show, the characteristic income polarization and unemployment force

many people to endure severe economic sacrifices, leading, in Berger's words, to a poverty-induced "massacre of the innocent"[79] in which millions of persons, mostly children, are condemned to a premature death. This sacrifice is necessary, they are told, to spur production, which will eventually "trickle down" to benefit them.

Under "socialism," such as the Tanzanian case will show, development is seen as requiring massive political sacrifice, particularly, politicaly motivated repressions (for instance, forcibly settling peasants on collective farms).[80] This action is justified through the myth of revolution, which argues that once the domestic and foreign imperialists are rooted out of the social fabric and the true revolutionary community is created, repression (and eventually the state itself) will no longer be needed and will "wither away."

Today, neither the East nor the West could point with pride to a single clear-cut model of success for its ideological project in Africa. The ascent of Gorbachev and the winds of changes that are now blowing in Eastern Europe, has made the very idea of socialism as an alternative path of development for Africa in doubt.

Is there, then, a way out of this seemingly development impasse for the African countries? We will try to give an answer by proposing an alternative theoretical framework. But, first, we will examine the various development paradigms, whose origin and evolution can be traced to the

experiences of Western and Eastern civilization, with an eye to examining (in chapters four and five) how they impact upon the development efforts of Tanzania and Kenya, whose societies have quite a different historical background.

Chapter 2

Endnotes

[1]See, C. Ake, A Political Economy of Africa (Longman, 1981); United Nations Secretariat, "Immediate measures in favour of most seriously affected countries," Report of the Secretary-General, United Nations General Assembly, June 1980; and World Bank, World Development Report (New York: Oxford University Press, 1984).

[2]Julius K. Nyerere, Ujamaa: Essays on Socialism (London, Oxford and New York: Oxford University Press, 1968), p. 18.

[3]Hedley Bull, The Anarchical Society: A Study of Order in World Politics (New York: Columbia University Press, 1977), pp. 112-17.

[4]Robert O. Keohane, ed., Neorealism and Its Critics (New York: Columbia University Press, 1986), p. 9.

[5]Bull, The Anarchical Society, p.20.

[6]Ibid., 96-7.

[7]Ibid.

[8]Bull, The Anarchical Society, pp. 86, 96-97.

[9]Morton Kaplan, "Variants of six models of the international system," in International Political and Foreign Policy, ed. by James N. Rosenau (New York: The Free Press, 1969), pp. 300-301.

[10]Richard K. Ashley, "The Poverty of Neo-Realism," International Organization, 38, No. 2 (Spring, 1984), 227.

[11]This should not be surprising since the contemporary international system is a function not only of the states but also of numerous other governmental and nongovernmental agencies.

[12]Robert O. Keohane and Joseph S. Nye, Power and Interdependence: World Politics in Transition (Boston: Little, Brown, 1977), see especially chapter two.

[13]Henry Kissinger, American Foreign Policy, (3rd ed.; New York: Norton, 1977), p. 48.

[14]Ibid.

[15]Ibid.

[16]Ibid.

[17]"The World According to Brzezinski," New York Times Magazine, 31 December 1978, pp. 9-11.

[18]Robert W. Tucker, The Inequality of Nations (New York: Basic Books, 1977).

[19]James Der Derian and Michael J. Shapiro, eds., International/Intertextual Relations: A Postmodern Readings of World Politics (Lexington, MA and Toronto: Lexington Books, 1989), p. 100.

[20]M. Kaplan, System and Process in International Politics (New York: Wiley, 1957), ch. 2.

[21]Frederic S. Pearson and J. Martin Rochester, International Relations: The Global Condition in the Late Twentieth Century, (2nd ed.; New York: Random House, 1988), p. 43.

[22]Ibid.

[23]John T. Rourke, International Politics on the World Stage (Gulford, CT: The Dushkin Publishing Group, 1989), p. 37.

[24]Chinweizu, The West and the Rest of Us (New York: Vintage Books, 1975), p. 41.

[25]Ibid., 203.

[26]Carlon J. H. Hayes, A Generation of Materialism, 1871-1900 (New York: Harper, 1941), p. 236.

[27]Gordon A. Craig and Alexander L. George, Force and Statecraft: Diplomatic Problems of Our Time (New York: Oxford University Press, 1983), p. 44.

[28]Chinweizu, The West and the Rest of Us, chs. 1 and 2.

[29]Ibid., 47.

[30]Edwin H. Fedder, "The Concept of Alliance," International Studies Quarterly, 12 (March 1968), reprinted in The Theory and Practice of International Relations, ed. by David Mclellan, William C. Olsen, and Fred Sondermann (4th ed.; Englewood Cliffs, NJ: Prenctice-Hall, 1974).

[31]Inis L. Claude, Jr., Swords into Plowshares: The Problems and Progress of International Organization (4th ed.; New York and London: Random House, 1971), pp. 24-28.

[32]Ibid.

[33]A. J. P. Taylor, Germany's First Bid for Colonies (New York, 1970).

[34]D. K. Fieldhouse, Economics and Empires, 1834-1914 (Ithaca, NY: Clarendon Press, 1954), pp. 519-20.

[35]Frederic S. Pearson and J. Martin Rochester, International Relations: The Global Condition in the Late Twentieth Century (2nd ed.; New York: Random House, 1988), p. 49.

[36]Henri Grimal, Decolonization: the British, French, Dutch and Belgian Empires 1919-1963 (Boulder, CO: Westview Press, 1965), pp. 28-36.

[37]The idealist paradigm traces its root as far back as Dante, the Italian poet of the 14th century, who envisioned a united world-state system. It is committed to minimizing conflict and maximizing cooperation among nation-states through international law and international organizations. This paradigm, which was prominent between the end of the First World War and the begining of the Second World War, is mainly interested in how the world ought to be rather than in how it actually is. It is best represented in the works of the well known scholar and statesman, Woodrow Wilson. See, Dante Alighieri, On World Government, trans. by Herbert W. Schneider (2nd rev. ed.; New York: Liberal Arts Press, 1957); and R. S. Baker, Woodrow Wilson and World Settlement (Gloucester, MA: P. Smith, 1922), p. 93.

[38]E. H. Carr, The Twenty Years Crisis, 1919-1939, (2nd ed.; London: Macmillan, 1946).

[39]The roots of the realist paradigm can be traced as far back as Machiavellia's The Prince. This paradigm views the international order as anarchic and nation-states often struggling to maintain their national security within this anarchic environment. From this perspective, international peace and security can best be maintained, not by international law and organizations (although their adherents won't deny the role of these institutions) as idealists will have it, but rather by strengthening ones military power vis-a-vis the enemy. See, Hans J. Morgenthau, Politics Among Nations (New York: Knopf, 1948); other realists include George F. Kennan, American Diplomacy, 1900-1950 (Chicago: University of Chicago Press, 1951); Arnold Wolfers, Discord and Collaboration (Baltimore: John Hopkins

University Press, 1962); Henry A. Kissinger, American Foreign Policy: Three Essays (New York: W. W. Norton, 1969); and, Carr, The Twenty Years' Crisis, 1919-1939.

[40]For more understanding of the meaning of the term paradigm see, Thomas S. Khun, The Structure of Scientific Revolution (Chicago: University of Chicago Press, 1962).

[41]Keohane, Neorealism and Its Critics, p. 9.

[42]Carr, The Twenty Years' Crisis, 1919-1939, p. 168; and Claude, Swords into Plowshares, p. 29.

[43]Furio Cerutti, "Political rationality and security in the nuclear age," in Philosophy and Social Criticism, Vol. 13, No. 1, (1987), p. 69.

[44]A. B. Bozeman, Politics and Culture in International History (Princeton, NJ: Princeton University Press, 1960).

[45]The search for international order by the superpowers' often creates insecurity for others, particularly small nation-states. See, Charles W. Kegley, Jr. and Eugene R. Wittkopf, World Politics: Trend and Transformation (2nd ed.; New York: St. Martin's Press, 1985), pp. 371-72.

[46]Furio Cerutti, "Political Rationality and Security in the Nuclear Age," in Philosophy and Social Criticism, 13, No. 1 (1987), 70.

[47]Bruce Russett, Harvey Starr, and Richard J. Stoll, eds., Choices in World Politics: Sovereignty and Interdependence (New York: W. H. Freeman, 1989, pp. 288-93.

[48]Richard J. Barnet, Real Security: Restoring American Power in a Dangerous Decade (New York: Simon and Schuster, 1981), ch. 3.

[49]Ibid., 114.

[50]See Henry A. Kissinger, Nuclear Weapons and Foreign Policy (New York: Harper, 1957), pp. 316-20; A World Restored (New York: Grosset and Dunlap, 1964), pp. 1-6, 145-47; and "The White Revolutionary: Reflections on Bismarck," in Daedalus, 97, No. 3 (Summer, 1968), 888-924.

[51]Department of State Bulletin, Vols. 66, 67 (1972).

[52]The current structure is much more ambiguous than are stated here. For extended discussion see, Joseph L. Nogee, "Polarity: An Ambiguous Concept," in Orbis, 28 (Winter, 1975), pp. 1193-1224.

[53]Morton A. Kaplan, "Models of International Systems," in Analyzing International Relations, ed. by William D. Coplin and Charles W. Kegley, Jr. (New York: Praeger, 1975), pp. 257-69.

[54]Raymond Aron, "Macht, Power, Puissance: Democratic Prose or Demoniacal Poetry?" in Power, ed. by Steven Lukes (New York: New York University Press, 1986), ch. 13.

[55]Among 116 conflicts (crises, interstate military intervention, international wars) between 1946-77 a total of 99 or 85.34% of all international conflicts occurred in the NICs. For details and extensive data, see Mark Zacker, International Conflict and Collective Security, 1946-1977 (New York: Praeger, 1979), pp. 222-82.

[56]Johan Galtung, The True Worlds (New York: The Free Press, 1980).

[57]Stephen D. Krasner, Structural Conflict: The Third World Against Global Liberalism (Berkeley: University of California Press, 1985), ch. 2.

[58]The Lagos Plan of Action and the Special Memorandum make explicit recommendations how this (the NIEO...) should be implemented in Africa in the short, medium and long run. See, "Economic Commission for Africa," Special Memorandum by the ECA Conference of Ministers on Africa's Economic and Social Crisis, (E/ECA/CM.10/37/Rev.1).

[59]Robert Cox, "Ideologies and the NIEO: Reflection on Some Recent Literature," International Organization, 33, No. 2 (Spring, 1979), 257-302.

[60]One only needs to witness the resistance NICs like Nicaragua or Afghanistan are facing in attempting to determine their own destiny. Ibid.

[61]For a discussion, see Ekkart Zimmermann, et al., Political Science, Crises and Revolutions (Cambridge, MA: Schenkman Publishing, 1983).

[62]See, Special Memorandum by the ECA Conference of Ministers on Africa's Economic and Social Crisis, (E/ECA/CM.10/37/Rev.1), May 1984, p. 5, para. 12.

[63]Bahgat Korany, "Strategic Studies and the Third World: A Critical Evaluation," in International Social Science Journal, No. 110 (1986), p. 550.

[64]Ibid., 551.

[65]Atul Kohli, A World Politics Reader: The State and Development in the Third World (Princeton, NJ: Princeton University Press, 1986), pp. 274-279.

[66]A. M. Babu, African Socialism or Socialist Africa? (London: Zed Press, 1981), ch. 6.

[67]The war between Ethiopia and Somalia, and Iran and Iraq are some of the examples considered non-threatening to the existing international order since their contribution to the balance of power is negligent. On the other hand, the Arab-Israeli war, or a war beteen a NATO member country and a Warsaw member country, will be taken seriously, and both superpowers will work hard to bring the war to an end, as was true in the 1973 Arab-Israeli war. For further understanding of the danger of such selective concern for international order, see Noam Chomsky and Edward S. Herman, "The Washington Connection and Third World Fascism," The Political Economy of Human Rights, Vol. I (Boston: South Bend Press, 1979), ch. 1.

[68]This is of course a highly controversial position to hold. But once we are clear that we live in an era where superpowers' relations with their client states are based on a simple Manichean view of the forces of evil (communism or capitalism depending which superpower we are referring to) versus the forces of good, then it becomes much easier to understand why this is so.

[69]John Herz, "Political realism revisited," in International Studies Quarterly, 25, No.2 (June), 182-97.

[70]For data supporting these, see Mohamed Ayoob, ed., Conflict and Intervention in the Third World (London: Croom Helm, 1980).

[71]See Noam Chomsky and Edward S. Herman, "The Washington Connection and Third World Fascism," The Political Economy of Human Rights, Vol. I (Boston: South End Press, 1979).

[72]Adedeji Adebayo, "Introduction," ECA and Africa's Development, 1983-2008, p. 94, para. 242.

[73]For the domestic/international conflict link; see especially Michael Haas, Internal Conflict (Indianapolis and New York: Bobbs-Merrill, 1974); and Jonathan Wilkenfeld, ed., Conflict Behavior and Linkage Politics (New York: Mckay, 1973).

[74]The international system is much more complex than what most NICs consider as an East-West struggle. Ibid., 279-82.

[75]Peter Berger, Pyramids of Sacrifice (New York: Basic Books, 1974), ch. 6.

[76]Ibid., 17.

[77]Richard Falk, "Normative International Relations: A General Introduction," in World Politics Debated, ed. by Herbert M. Levine, (3rd ed.; New York: McGraw-Hill, 1989), p. 120.

[78]Berger, Pyramids of Sacrifice: Political Ethics and Social Change, p. 7.

[79]Ibid., 145-46.

[80]Peter T. Bauer and John O'Sullivan, "Foreign Aid For What?" in World Politics Debated, ed. by Herbert M. Levine, (3rd ed.; New York: McGraw-Hill, 1989), p. 324.

CHAPTER 3

THREE PARADIGMS OF DEVELOPMENT

Introduction

In the last chapter, it was stressed that the ICs view the international system essentially from the perspective of a Hobbesian world view, where the political dialogue between them and the LICs at the international level presumes mutually exclusive global interests.[1] And yet, when protracted debates on the problems of economic development in the LICs and possible solutions arose in the late 50's and early 60's, the ICs social scientists made the problem of LICs along with the problem of international development a major concern of research and theory.

They believed that without changing the international political order, they would be able to solve, in co-operation with LICs, the development problems of the LICs and the international economy. They hoped that the LICs would economically grow with the assistance of the ICs, which in turn would rapidly enhance the former's growth and further lead to their political democratization in the image of the latter.[2] But what really constitutes political and economic development remains, as yet, illusive and a highly debatable issue.

Analysis of regional and international inequality, agricultural and industrial development, and how people make a living and organize their economy and politics within these different environments cannot be explained without reference to the broader set of forces by which their environment is shaped, in particular the ideals surrounding the formulation of government policy and the constraints on government action.

In the light of over twenty years of political independence in Tanzania and Kenya and in African countries in general it is apparent that patterns of social, economic and political development have been shaped, inter alia, by the prevailing ideology and practices of those with political influence and economic power. However, these have been conditioned not only by historical circumstances and the form in which liberation was achieved but also by contemporary internal and international events.

The links between ideology, policy and practice can be characterised as follows. First, identifying particular political, economic and social development goals depends initially on clarifying a particular blueprint for development (or ideology) defining desirable conditions and the means by which to achieve them. Second, commitment to achieving these goals depends upon an acceptable approach by which to translate ideology into practice through the institutional structure and resource allocation between sectors and regions. It is the gulf which has emerged

between ideology, policy and practice which lies at the base of many contemporary problems within African countries and which had given rise to the theoretical debate (outlined below).

In their efforts to define an official pattern of development and to establish the appropriate politico-economic institutions African leaders had before them as a guide, since the Second World War, three major markedly different approaches to development, each one based on a different set of assumptions and values concerning the types of changes to be encouraged and methods employed to achieve them. They include the following: (a) developmentalist (neo-classical and modernization), (b) the dependentistas, and (c) the orthodox Marxists.

This chapter will critically examine and present these strategies, or what Thomas Kuhn called "paradigms."[3] It should be clear that none of these paradigms forms a monolithic entity since there are differing theoretical emphases within each tradition.

The Developmentalist (Neoclassical and Modernization) Paradigm

The neoclassical approach is premised, since Adam Smith, on human preferences, on the given endowments of productive resources that human beings privately own, and on the productive capabilities (the available technology) that enable humans to produce what they desire in an environment

of domestic and international political stability.[4] Human nature is, therefore, the theoretical entry point around which the argument of this school revolves. Development is theorized as a phenomenon of the entry concepts, which in turn function as essences.

According to this paradigm, human beings exercise their free choices in the context of a given scarcity, which propels all economic activity forward.[5] Human beings choose what they want to consume and produce what is rational to produce; of course, by rationally responding to market forces. Rational institutions or, in other words, political and economic systems, can be created that correspond to the rational human nature, whose primary goal is to accumulate capital and wealth. In the process, it is assumed that such institutions will also advance and secure the democratic rights of capitalists and workers alike. In such organized institutions, the market is assumed to take care of the economic growth of the country, for reasons spelled out by Adam Smith and David Ricardo.[6] The fact that the market rewards the "productive"--so long as it stretches the margin of profits and punishes the "unproductive" sectors of the society is accepted and considered unproblematic.

Internationally, it is argued that the development processes of the LICs can get the necessary "push" if investment capital is allowed to move "freely" and if nationalist barriers are not allowed to inhibit the flow of investment capital in the international market.[7] In a

context where there exist ICs and LICs, the former could then transfer capital to the latter and generate wealth there, via economic growth, for the benefit of both parties.[8] The market will force individuals, or society, in ICs and LICs to initiate such international trade relations if the utility gain from such trade is greater than without it. According to this school, barring any interferences, such as market imperfections created by external economies, monopolies, irrational institutions, or nationalist politics and culture, the pattern of trade is fully determined by conditions of scarcity and choice.

In neoclassical paradigm formulation, the success of a country's development was conceived solely in economic terms and measured by the rate of growth of its Gross National Product (GNP). Gross national product, a measure of the total output claimed by the nationals of a country, is assumed to show the well-being of a nation-state. Thus, the strategy used by LICs to achieve their goal of development focused largely on economic growth in the belief that an increase in GNP [9] will percolate down to the poorest of the poor and eventually eliminate poverty, inequality and unemployment. In such neoclassical conceptions, production is encouraged to expand untrammeled; further production is considered profitable, and, assuming man's natural innovativeness, new ways of stretching the profit margin are constantly created.

Associated with such neoclassical conception of development was the concept of modernization (structural development theory).[10] For proponents of modernization the emphasis is mainly on either some kind of given economic structure, say, dualism, or an aggregate lack of investment capital, or the size of the market. Political developmentalists, educators and economists within this school thought that particularly appropriate work ethics, proper social and family attitudes, as well as an appropriate political system, were more conducive to development than others.[11]

LICs, therefore, differed from the ICs because their society did not exhibit these modern attitudes. In order to be on the right path of development, LICs had to make sure that their people acquired modern attitudes, i.e., adopted the culture, values and paths of development of the already existing ICs. Such a view is well expressed by Daniel Lerner: "The process of social change [takes place when] less developed societies acquire characteristics common to more developed societies."[12]

Similarly, Wilbert Moore observed that "what is involved in modernization is a total transformation of a traditional or pre-modern society into the types of technology and associated social organization that characterize the advanced, economically prosperous, and relatively politically stable nations of the western world."[13] Edward Shils' definition of modernization is

"being western without the onus of dependence on the West. The model of modernity is a picture of the West detached in some way from its geographical origins and locus."[14] Hence, development equals modernization equals a shift from an agricultural economy to an industrial economy.

The central theme of the above discussion is a unidirectional, linear conception of the processes of development through which human society evolves from traditional (pre-industrial) to modern (industrial) society. Since development is thought to proceed in a linear fashion, it follows that every country that wants to develop must necessarily pass through a series of stages, i.e., capital accumulation, ever-increasing industrialization, a drive to maturity, and a constant move toward a modern wealthy economy with mass (high) consumption--that once were experienced by the ICs. This view was propounded in works like Rostow's Stages of Economic Growth, and it has had a powerful influence on the political elites and development planners in the LICs.[15]

The idea of "take off" captured the LICs' imagination and presented them with an operational tool to map out their development strategies. In this school all countries were presumed to follow the same pattern of economic development, and the different countries of the world were grouped in a hierarchical classification. The poorer LICs were presumed to have a long way to go to reach the "take-off," as defined

by Rostow, the point at which they would have developed the dynamism to sustain economic growth.[16]

Still another neoclassical position, which has a strong hold on the thinking of the political elites and the development planners, is to view the processes of development as monocausal. Such a view is evident in the idea of the "vicious circle of poverty," where the scarcity of capital is seen as an obstacle to development that condemns LICs to remain permanently at levels of economic subsistence.[17]

The corollary to this is that the solution lies in the virtuous cycle of capitalism, which makes productive behavior rational, and hence leads to economic growth and political stability.[18] The task is, therefore, to find the necessary capital and to invest it in those countries. In order to break the vicious cycle, these countries are also encouraged to install "strong" (a euphemism for "repressive") and stable governments that can provide the long-range planning necessary for rational growth patterns.[19]

Political stability is presumed to encourage an influx of foreign investment as well as foreign technical and economic assistance. To this end, the Harold-Domar model became the development plans of a large number of LICs.[20] Governments and development planners in the LICs have found the <u>Harold-Domar model</u> (The model underlays the development plans of a large number of developing countries. The model

was based on a capital: output ration and presupposed that capital investment of a certain quantity would bring about a given increase in output. If the capital: output ratio were 4:1 (an average assumption in most developing country plans), four units of capital--say $4--would result in an increase in output of $1. If 20% of a country's GNP were saved and invested this would lead to an increase of 5% of GNP.) and the Rostowian model of stages of growth convenient for development planning. Although they recognize the interconnection between economics and non-economic factors, they remained committed to the former because it is easily measurable and prone to manipulation. These models assumed capital by and large as the prime prerequisite to economic growth.

The basic contradiction in the international economy, therefore, is between two self-reinforcing cycles: the "virtuous" cycle of capitalism which makes productive behavior rational and hence leads to economic growth and political stability versus the "vicious" cycle of non-capitalist economic nationalism, which interferes with the rational logic of market-responsive individual behavior and hence leads to economic stagnation (or "backwardness").[21] The social task of rational economics is to tirelessly reveal the nature of the two cycles. Its task is to expose the irrational reasoning that promises economic benefit from restrictions on economic freedom, or that misunderstands

capitalism as the source of the problem of economic stagnation rather than as the source of the solution.[22]

Most of the recent literature on political development also reflects the above dichotomous schemes of modernization theories. Political developmentalists, with some variations, like their modernization counterparts, classify societies into three broad categories: traditional, transitional and modern.[23]

Lucian Pye was among the first group of political science scholars to present an in-depth analysis of political development. He has compiled a list of the connotations of the term "political development" as currently used by comparative politics scholars:[24] Political development as (1) the political prerequisite of economic development; (2) the politics typical of industrial societies; (3) the operation of a nation state; (4) political modernization; (5) administrative and legal development; (6) mass mobilisation and participation; (7) the building of democracy; (8) stability and orderly change; (9) mobilisation and power; and (10) one aspect of a muti-dimensional process of social change.

He also argued that these definitions manifest three common denominators in political development: as an attitude towards political equality, as the capacity of a political system and as the differentiation and specialization of structures resulting in increased functional specificity of the various political roles within the system.[25]

Sammuel Huntington, inter alia, has criticized Pye's ten definitions. He argued that "if there are ten definitions of political development, there are ten too many, and the concept is, in all likelihood, superfluous and dysfunctional."[26] Huntington further argued that the identification of political development with modernization would restrict the use of the concept of political development "in both time and space."[27] Therefore, political development should not be defined in terms of modernization.[28]

Rather, he defined political development normatively, i.e., as the absence of open conflict. He described political development as the growth of political institutions capable of dealing with strains of social mobilization and political participation. For Huntington, political development is a process independent of, although affected by, the process of modernization; and modernity and tradition are essentially assymetrical concepts.[29] The importance of Huntington, therefore, is his challenge to the prevailing idea of the unilinearity of modernization theory and his stress on those issues, especialy the dislocations that arise in the modernization processes, that had been played down by earlier writers. For him, as O'Brien observed, the goal of political development is not necessarily democracy but order.[30]

Perhaps a landmark in the development of the concept of political development is Huntington's observation:

As a concept [political development] does not suggest that movement is likely to be in only one direction: institutions, we know, decay and dissolve as well as grow and mature. Most significantly, it focuses attention between the ongoing social processes of modernization on the one hand, and the strength, stability, of weakness of political structures, traditional transitional, or modern, on the other.[31]

Similar concerns for the primacy of political stability or order were also expressed in the works of Apter, Halpern, and Weiner.[32] The literature's shift from emphasizing democracy to order reflected not only the values of those who were theorizing but also the security concerns of the two superpowers. Their belief is that the more the LICs are politically developed, the more they are politically stable and the less likely will a confrontation occur between the superpowers arising from their respective geopolitical strategic concerns.

Some political developmentalists, such as Deutsch, Diamant, and Eisenstadt,[33] have conceptualized political development in terms of system capabilities to try to remove ethnocentrism from the definition of political development, but the difficulty of operationalizing the concept has reduced its utility. They assume, much like neoclassical economists, that the force of history moves in an unidirectional manner (from traditional to modern) and that in order to modernize, traditional societies must take up the patterns of development that were once followed by the now-modernized (industrialized) nations. Where political institutionalization is weak, military regimes are

recommended to replace civilian ones. They are viewed as powerful and good facilitators of development,[34] even though the writers are conscious that the stability the military achieves (if at all) cannot be guaranteed without loss of lives and/or without a denial of basic civil liberties of the citizens concerned.

Political modernization theorists often focus upon endogenous variables, ignoring or simply glossing over the role of exogenous factors in social change. When they do focus on such factors it is limited to cultural diffusion. For instance, Lerner, inter alia, emphasized the western impact in modernization only in terms of its consequences for diffusion of particular cultural attributes.[35]

These theorists, for the most part, ignore the political and economic interactions between societies and the resulting impact upon them. This is related to one aspect of their methodological problems. That is, these theories take up the nation-state as the unit of analysis and limit their attention to that apparently autonomous system. For the most part, these theorists ignore the historical development of the society.

Tipps has argued that evolutionary theory and twentieth century structural-functionalism have been influential in the making of a modernization paradigm. The frequent use of the dichotomous types, the emphasis on stability and adaptation, and the use of such concepts as social system and social differentiation illustrate their linkage to the

structural-functional and evolutionary theories. Moreover, according to Tipps, "many of the leading contributions to modernization theory have come from men such as Lerner, Levy and Eisenstadt who have been schooled in functional theory and the intellectual milieu from which it emerged."[36]

Chirot traces the origin of the modernization paradigm to the response of American political elites and intellectuals to the international setting of the post-Second World War era.[37] This was the time of the emergence of many new nations and also the beginning of the Cold War. These two phenomena are, however, not unrelated. As we suggested in the last chapter, the rise of LICs became the arena for the hegemonic control of the two post-war superpowers. During the two decades after the war, American social scientists, with the help of generous governmental and other private organizational support, started taking a closer look at development problems in the LICs.

Political institutions do not operate in a vacuum. As Lipset observed, they are intertwined with economic processes and social organizations.[38] The early phase of the modernization paradigm can be seen as the outgrowth of the economic theory of developmentalism. According to the explanation of the early generation of the modernization theorists, such as Hoselitz, McCelland, Hagen, etc., the underdevelopment of a country was the result of its deficient value system and/or pre-modern economic structure. They argued that the people of advanced European societies

and of the United States had developed because of their modern, rational business system and ethic which had enabled them to accumulate capital, invest it, and achieve rapid economic growth. Following this tradition, Rostow argued that the West had gone through a series of stages: capital accumulation, ever-increasing industrialization, a drive toward industrial maturity, and a constant move toward a modern and wealthy economy with mass consumption.[39]

Some contemporary scholars of the modernization paradigm view modernization as a set of policies pursued by the leaders or elites of LICs for changing their societies. Modernization has been considered as a conscious set of plans and policies changing a particular society in the direction of contemporary societies which the leaders think are more advanced in certain aspects. According to Eisenstadt, an influential contributor to the modernization paradigm, different types of elites tend to develop different strategies with regard to some major problems of social and economic development policies. He writes, "these include the pace of industrialization, sources of funds, priorities in development, pressures on enterprises and managers, the educational system, policies of agriculture, methods of allocation of labor, and many others."[40]

At an intra-national level the concept of economic dualism proved a persuasive prescription for economic development. Initially formulated by W. Arthur Lewis it considered the changes involved in the transition from a

non-capitalist mode of production to mature capitalist mode.[41] Ranis and Fei formalised it as a normative model of rural-urban movement[42] while Ann Seidman used it to describe the internal structure of the East African economies.[43] In practical terms, during the era of economic growth in the 1960s, it encouraged state and private capital investment in the modern sector of African economies.

The modernization approach has come a long way from this neoclassical expectation of economic and political development in LICs. This is reflected in the 1980 (Willy) Brandt Commission Report on North-South relations which emphasized that the problems of economic development are significantly dependent on the terms of trade in the world economy. It also dealt with the impact that monetary issues, such as borrowing, have had on the development programs of the LICs. Summarizing the economic relationship between the LICs (south) and the ICs (North), the Commission stated:

> The South needs and wants to be more self-reliant, to complete the process of political independence. But that does not imply separation from the world economy. It means rather the ability to bargain on more equal terms with the rich countries, to obtain a fair return for what it produces, and to participate fairly in the control and running of international institutions. Many leaders in the South have complained that while the North may be prepared to spend money on alleviating Southern poverty or distress, it is reluctant to surrender control over economic decisions. But this issue of power cannot be evaded.[44]

With respect to financial and monetary issues, the Commission concluded that:

....the more prosperous countries of the South have...borrowed extensively from commercial banks causing heavy problems in rolling over their loans which by the end of the 1970s were causing anxiety to borrowers and lenders alike. And many developing countries will need more finance over the next twenty years to produce any real improvement in health and nutrition, in mineral and industrial development, or in sustaining satisfactory growth.[45]

With respect to technology, the Commission noted a number of difficulties:

> They [i.e., LICs] may benefit from direct investment, but the gains have not always been fully shared, which has caused political tension. They can buy technology through licenses, but only on terms set by foreign corporations. They do not wish to lose control over their economies; they want to be able to trade on fair terms and with equal expertise with the transnational corporations.[46]

The Commission also observed that the mechanisms for creating and distributing international means of payment were influenced by the national policies of a few industrialized countries and that the South (LICs) sought a greater degree of influence in international monetary decision-making.[47]

Nevertheless, the developmental performance of most LICs ever since decolonization (from early 1950s on) did not fulfill the optimistic expectations of modernizationists. In fact, the LICs debt burden was estimated to range from $800 billion to $950 billion by 1985.[48] Among LICs, Africa's debt burden was only $129 billion in 1985.[49] While this debt burden is relatively small compared to Asia's and Latin America's, its debt service, however, is very high in relation to its gross domestic products.[50]

To sum up, the historical significance of the developmentalist (structuralist or modernization) paradigm should not be underestimated. It brought to the attention of the social sciences some issues hitherto ignored or unexplained save snap-shot explanation of the LICs by the anthropologists. The important assumption of the modernization paradigm was that it would not only explain the situation of poverty in LICs but would also suggest policies to overcome it.

However, after decades of research and policy formulations change did not take place as expected. In fact, the economic and political situation in these countries went from bad to worse, precipitating a veritable crisis for the developmentalist paradigm. Many scholars of development concluded that the developmentalist paradigm is unable to fully explicate the problems of the existing LICs development; thus they sought for a new explanation.[51] The result was the emergence of a dependency/world system paradigm.

The Dependency Paradigm

The dependency paradigm arose in reaction to the failures of the optimistic growth models proposed by neoclassicists and structuralists (modernizers) discussed above. It is an eclectic body of thought incorporating several hues of opinion; even the individual authors within this tradition are not often consistent in their argument.

There are differences in their approaches, degrees of emphasis, and policy recommendations.

In this paradigm the inequality in wealth and power between the ICs and the LICs is seen as a key reason for transferring a huge amount of LIC (surplus) wealth to the ICs, regardless of LIC's consent. The result is not only the development of the ICs (this paridigm's center) but also the underdevelopment, or dependent and distorted development, of the LICs (the periphery).[52] In short, the theorists contend that the developmentalist strategy of development leads inexorably to neocolonialism.

The dependency theory got its inspiration from the works of, inter alia, Hobson, Magdoff, Sweezy, Lenin, and Nkrumah, who are scholars of imperialism and neo-imperialism;[53] and from structural theories on the effects of dependency relations in the international political and economic system.[54] Dependency theory argues that the international relationship today between the LICs and the ICs creates economic underdevelopment in the former and development in the latter.

Moreover, the dependency theorists claim that the Modernizers' assumption that development takes place only by following the western model is both an ahistorical understanding--because it ignores the colonial experiences of the LICs--and a false understanding of the ICs development processes.[55] Indeed, they claim that the ICs, the capitalist ones in particular, prevent the LICs from

choosing their own development path.[56] If non-western countries like Japan have escaped the present condition of LICs, they argue, it is because such countries have managed to escape colonialism.

Andre Gunder Frank, in his essay "Sociology of Development and Underdevelopment of Sociology," challenged not only the sociologically oriented modernization theories of Parsons, Levy, and Wilbert Moore, but also attacked neoclassicists and modernizers such as Hoselitz, Hagen, McClelland, Rostow, Nash, et al.[57] Frank contends that, despite differences in their explanations of modernization theory, these writers were united in their acceptance of an ideal-type methdology, a trickle-down notion of social change, and a specific type of orientation to end under-development. Frank's essay not only runs counter to modernization theories but also attacks some Marxist interpretations (to be discussed in the next section), which shared with some developmentalists the dual vision of LICs.

Frank is not the only dependentista, nor is he the sole originator of the dependency theory. Bath and James claim dependency theory as the creation of U.S. scholars.[58] Bodenheimer and later O'Brien thought that it is rooted in the works of the Economic Commission for Latin America (ECLA) and neo-Marxist and Marxist writers.[59] Foster-Carter trace its origin exclusively to the neo-Marxist writings--a modified version of the earlier theories of imperialism.[60] Trimberger attempted to differentiate

between Lenin's and Trotsky's theory of imperialism from that of the dependency theory of Frank and Wallerstein.[61] Cardoso and later Fernandes trace the origin of dependency theory from the works of Lenin and Trotsky to recent theorists.[62] This conflicting claim of the origin of dependency theory is further complicated by other claims and counterclaims of parentage of the theory. Albert O. Hirschman presented F. H. Cardoso and O. Sunkel as the founders.[63]

We think Peter Evans correctly stated the origin and the continuity of the development of the theory. According to him, the dependency tradition began in Europe with Lenin and Hobson, and later was developed in the United States by Marxists such as Baran and Frank. This theory was further developed by Latin Americans, such as Celso Furtado, F. H. Cardoso, F. Fernandes, and O. Sunkel.[64]

The contribution to the origin of one very important strand of this school came from the works of Latin Americans working in ECLA, established in 1948 in Santiago, Chile, with the Argentinian economist Raul Prebisch as its chief executive.[65] The origin of ECLA in turn can be traced, ironically, back to the neoclassical's key propositions. The initial argument of this school is Latin American's "peripheral" position vis-a-vis the ICs, as reflected in the region's historical evolution as an exporter of raw materials. In this way, ECLA's thesis linked Latin American underdevelopment to the world economic system.

Frank's views are also shared by many other dependency theorists. Amin, an African scholar, for instance, argued that the impact of ICs on the economy of LICs creates "peripheral capitalism," a social system in which the total articulation of the capitalist mode of production is hindered, thus resulting in distorted economic development.[66] From the same school, Rodney, a Guyanese scholar, provides the most incisive analysis of how Europe underdeveloped Africa by siphoning off its surplus.[67] Sunkel and Paz affirms Frank's original thesis by arguing that development is a global, structural process of change, and underdeveloped countries are those countries which lack an autonomous capacity for change and growth, and which depend for these on the center.[68]

Emmanuel argued that underdevelopment is caused by the absence of high wages in LICs. Low wages neither stimulate sufficient market outputs, nor cause the development of a capitalist goods sector in LICs. Thus, according to Emmanuel, if private capitalists agree to pay high wages, then these countries can achieve economic development.[69] His theoretical approach involves identifying an independent variable and relating other phenomena to that variable as its effect. In, Unequal Exchange, Emanuel states how any system of analysis must be based on a predetermined data:

> Any system of analysis must ultimately be based on one or more data taken from outside the system. These data are independent variables. Without them analysis comes to a dead end and the argument becomes circular.[70]

Emanuel specifies differential wage rates as the key factor from which all other model determinations are explicitly derived. Thus, he writes, "wages are the independent variable, and prices (and so the terms of trade) are the dependent variables of the system."[71] This simple causal chain is, according to Emmanuel, "Marx's position, which forms the basis of my thesis."[72] Classes, in Emmanuel's theory, are determined by their relationship to this wage rate. Those who receive the wage rate comprise the working class. Those who receive the remainder--after the wage is paid--comprise the capitalist class.[73] Thus, class is defined in reference to type of income and the possession of "essential" conditions of existence. Exploitation is considered by him as the outcome of monetary flow (in the form of higher wage payments) from the periphery to the center.

Then there is Wallerstein's world-system and world economy approach in which he divides the world capitalist system into three vertically structured states--the core, the semi-periphery, and the periphery.[74] According to Wallerstein's thesis, closely related to that of Frank, the essential difference between the three world segments lies in the power of their respective state machineries. The periphery has the weakest power; the core the strongest; and the semi-periphery, the medium power. Wallerstein assumes these inequalities eventually lead to the transfer of surplus from the periphery to the center, thereby further

enhancing the power of the core state.[75] The semi-periphery, between these two antagonistic points, serves as a buffer zone to prevent a possible collision between them. Any attempt by the periphery to be the center of a socialist economy is blocked by the "world-capitalist-system."[76]

It should also be pointed out that, for Wallerstein, a class analysis of peripheral societies is of secondary interest, since the class-structures of those societies have already been specified once their peripheral status has been established.[77] A peripheral location in the world economy necessarily entails reliance on coerced labor, which implies class structures and relations adapted to coercive labor control.

Because substantial growth occured in numerous LICs including Tanzania and Kenya, during the early and late 1960's, this in turn gave rise to a theory of dependent development as well as to a countervailing neoclassical line of argument.[78] For dependent development to take place, three basic prerequisites must be fulfilled. First, the LICs must possess sufficient material and human resources to support domestic industrialization. Second, the state must play a major role in transforming the formerly stagnant nonindustrial economy, both by becoming actively involved in developmental activities that could not otherwise be accomplished and by forcing concessions from foreign multinational corporations. Third, some degree of international economic competition must be present. The

resulting growth implies a continued external dependence and internal dependence (to be discussed below). As a result, dependent industrialization remains qualitatively inferior to economic structures in the ICs.[79]

Dependent development, like dependency theory, thus implies a significant dependency by the LICs on the political economy of the ICs. But, the creation of the category of "dependent industrialization" (dependent development) is an attempt to reflect the development reality in some LICs. Such a position was maintained at the expense of eliminating the original purpose of the dependency theory, which was to explain "the morphology of backwardness" (non-industrialization and the persistence of the pattern of primary commodity production throughout LICs). In other words, first the structure of dependency was considered bad because it blocked industrialization. When the latter was achieved, it also became bad because it remained within the structure of dependency.[80]

The arguments of Frank and others that industrialization could not take place at all in LIC's because of imperialism then changed to a somewhat different claim by other dependency theorists. They stated that imperialism would allow industrialization, but only if the LICs were willing to occupy a subordinate position within the international division of labor. This did not mean that the LICs had to remain content as primary producers, but would have to be satisfied with low technology, low profit, and

high polluting industries rendered obsolete by the ICs. In short, the ICs would allow the LICs to develop "this far and no further." This view is closely related to Wallerstein's approach discussed above.[81]

Despite the existence of various competing views on dependency theory, there are certain specific points on which all the writers are agreed. First, they cite power as their point of entry and essence, around which they focus their organizing idea and their reductionist logic. All argue that the existing structure of international trade constrains the success of many LICs' development efforts while accelerating the IC's, because the power of the ICs determines who trades what at which price.[82] Put differently, the development and underdevelopment are partial, interdependent structures of one global system. The condition of the LICs are closely related with the capitalist expansion of the ICs.

Second, dependency theorists, in general, agree that development and underdevelopment are two sides of a unified system. Underdevelopment, therefore, is the outcome of the historical relationship (through trade and colonialism) between the periphery and the core countries. It is the result of the development of capitalism on a world scale at the expense of the periphery. Historically, underdevelopment and development have been simultaneous processes that have been linked in a functional way, that is, have interacted and conditioned themselves mutually.[83]

Third, the dependency theorists insist that underdevelopment is not a natural and temporary precapitalist stage that must be experienced by all nations. Europe was once undeveloped, but not underdeveloped as are many LICs in Africa, Asia and Latin America. Given the power of the ICs and the weak conditions of the LICs, underdevelopment is not seen as a transitional stage, but rather as a persistent condition that will last so long as unequal exchange between the ICs and the LICs continues. The periphery gears its production to export, not because it lacks internal markets, but because the highly developed productivity of the center compels it to be a complementary supplier, usually of agricultural and mineral products for industrial needs. Supranational lending agencies (especially the World Bank and the International Monetary Fund) are seen as partners of the ICs in this exploitative relationship.[84]

Fourth, the dependency theorists also agree that the subordinate relationship of LICs is not confined to external ties. They claim that dependence extends to the internal social structure, ideology and cultural beliefs, and internal decision-making apparatus. That is, metropolitan-satellite relations are found not only in an international context but also in the internal situation. For instance, the internal dependent class structures of LICs are dominated by a small political and economic elite closely tied to foreign interests who may or may not be physically present in the country. Only cash crop

production becomes well developed. And while this is an artifact of the colonial past, it is continued by present political elites because of the advantages it continues to provide them. The surplus generated from such economic activities is diverted either overseas, through exported profits, or internally into conspicuous consumption by local elites and a small labor aristocracy, with limited amounts being invested in capital-intensive technologies or import substitution.[85]

Thus the view that the world capitalist system causes underdevelopment by generating and reinforcing within LICs an infrastructure of dependency is more or less accepted by all dependency theorists. This view has been articulated by Wallerstein and Frank with a wealth of historical evidence. They have not restricted their attention to Latin America and to some extent to Africa; rather they have shown the working of this process everywhere else too.

Since the early 1980s, with the decline of foreign investment and aid, and the increase in the external debt assumed by the LICs, the dependency theorists still hold the same explanations: that foreign exploitation of the periphery by the core is the culprit. In this situation, interest payments to creditors in the ICs take the place of siphoning off surplus from the periphery to the core, thus creating a form of "debt-peonage".[86] In the case of LICs which have failed in repayment of their debt, it is argued that the conditions set by the IMF (or by the private bank creditors)

are such that the "poor" are forced to shoulder the debt burden.

Where the developmentalists view debt as a way of transferring wealth from the ICs to the LICs, the dependency theorists view it as a means for extracting wealth from the periphery to the core. The corollary of this is that the free flow of capital and commodities in international markets, instead of leading to economic growth, as in the neoclassical approach, serves to widen the gap between the core and periphery, developed and underdeveloped, modern and traditional, North and South countries. From this perspective, the current external debt of LICs reflects merely the contemporary form of that groups' exploitation by foreign powers.[87]

The Orthodox Marxist Paradigm

This school uses the mode of production as its entry point in the discourse. Its adherents contend that a social, economic and political transformation will take place in LICs through a transfer of capital, technology, and managerial and organizational skills from the ICs to LICs. This school questions the underdevelopment thesis, and argues that the penetration of foreign capital in the economies of the LICs ultimately will result in the development of industrial capitalism by destroying their precapitalist formations. This vulgar interpretation of the

works of Marx was developed as recently as 1973 (and 1980) by Bill Warren, and in 1975 by Geoffrey Kay.[88]

These theorists often quote Marx's famous statement in Das Kapital (also found in the Communist Manifesto), "the country that is more developed industrially only shows to the less developed the image of its own future."[89] Also quoted are his writings on India (as a justification for use in other LICs such as Africa), in which he predicted that a process of industrialization would take place as a result of investment by British capitalists.[90] That was not all. Orthodox Marxists also often quote Lenin's Imperialism The Highest Stage of Capitalism, "the export of capital greatly affects and accelerates the development of capitalism in those countries to which it is exported."[91]

Writers like Bill Warren, armed with selective quotes as above, and basing their works on empirical data, have described in detail the industrialization which they claimed had occurred in LICs. Warren set out to demonstrate LIC's development by using the standards of measurement, such as GNP, level of industrialization, and rate of capitalist growth, similar to the ones used by the neo-classicists. Like them, he too equated advances in productive capacity with the full development of LICs. By producing figures on industrialization he concluded that,

> empirical observations suggest that prospects for successful capitalist economic development of a significant number of major underdeveloped countries are quite good;...substantial progress in capitalist industrialization has already been achieved.[92]

Thus, he placed great emphasis upon the primacy of internal factors in the emergence and growth of capitalism in LICs, with the state playing a strategic role.

Whatever problems and limitations may be found in Warren's books, including his Imperialism: Pioneer of Capitalism, he deserves credit for at least boldly pointing out LICs' industrialization. Like him, many neoclassical writers had also reached similar conclusions.[93] Thus, he effected no "Copernican" revolution with his theory of economic development. Nor did he really discover any new facts. He saw capitalist progress as completely unproblematic. True, he acknowledged that the transfer of capitalism to the LICs entailed a great deal of human suffering. But he did not acknowledge any functional or other difficulties in the transfer of industrial capitalism from ICs to the LICs. Nor did he give full recognition to important systematic variations within the general pattern of LIC's development. He also failed to recognise that specific national policy regimes and institutional arrangements are not properly considered in the analysis of the variations in economic performance between countries. His account of the spread of industrial capital to LICs is as straightforward as the "trickle down" paradigm. You pour in enough capital on one end and, if you wait long enough, sufficient number of people will benefit because the capital will eventually spread to the rest of the population.

More seriously, however, Warren made it appear as if imperialist intervention was exclusively aimed at rousing the slumbering forces of production in the LICs. He failed to mention many instances in which the IC's used force against LIC's seeking to industrialize or gain control of their own key national resources. Such use of force is not a new phenomenon. It dates as far back as the 1860's and the fall of Mohammed Ali in Egypt.[94]

Since then, economic, political, and military intervention in the LICs by the ICs have continued throughout the post-World War II period. Two examples suffice: the 1956 British and French invasion of Egypt in retaliation for the nationalization of the Suez Canal;[95] and the CIA's successful overthrow of Premier Mossadegh in Iran following his take-over of foreign oil companies.[96] True, available evidence shows that some ICs, including the U.S., have promoted industrialization in some instances, and acceded to nationalization in others. This is particularly true in the case of Brazil, Hong Kong, Taiwan, Iran under the Shah, and so on. But this does not remove the need for explaining why in other circumstances industrialization and autonomy of LICs have been retarded.

In our view, Warren's reductionist explanation of LIC industrialization and economic growth is based on the following assumptions: First, he assumed that the problem of LIC development is not underdevelopment, but non-development. Second, he reduces the complex, contradictory

class and non-class exploitative relations between IC's and LIC's into simple functional, monotonic relations with a positive slogan: the more imperialist domination, the more growth of the LIC forces of production.

In his concept of transformation, he ignored the numerous instances in which force, violence, and numerous other methods are used to prevent (or encourage) LIC industrialization and autonomy. Similarly he ignored the long lag time between the establishment of complex class and non-class relations, and capitalist relations of production, especially in primary commodities and the creation of an industrially competitive industrial base. In this way he was able to assert that where there is development in the LICs it is a consequence of imperialism which produces capitalism. In so far as there is non-development it is a consequence of the blunders of LICs' administrative elites.[97] Why either one or the other happens is not very clear.

True, it can be argued that Marx did fail (if one chooses to ignore his writings on Ireland and others) in the article on India to foresee the seriousness of the problem of "late industrialization." As many scholars, both friend and foe of Marx, have pointed out, his belief that the introduction of the railroads in India would revolutionize its villages did not fully materialize. There remain numerous villages in India that are unchanged from the days of the British Raj. There is no reason to suppose that

massive injection of "foreign capital" into LICs will bring all LICs up to the standard that Marx envisioned. Perhaps the next century will see the fulfillment of Marx's prediction as interpreted by orthodox Marxists; perhaps not; perhaps it will be in the 22nd century. In any case, the problems of political economy are not solved in 'geological' time.

An even more extreme argument along the line of Warren is that of Geoffrey Kay. He argues that "capital created underdevelopment, not because it exploited the under-developed world, but because it did not exploit it enough".[98] Thus, he found the causes of the persistent economic "underdevelopment" in LICs not in imperialism but in the persistence of merchant capitalism. For him merchant capital still remains dominant in LICs; thus the surplus product appropriated (expropriated) is, largely, reinvested in trade rather than production. In short, he maintains that had imperialism more thoroughly penetrated the LICs they would not have remained underdeveloped.

There are of course almost as many interpretations of orthodox Marxism as there are orthodox Marxists.[99] This school's views are also much more complex than what had been argued by Warren and others. Admittedly, all agree that underdevelopment in the periphery can best be understood in terms of the internal structures of the states, i.e., in terms of their mode of production.[100] This, and the emergence and evolution of capitalism in the center

(European countries), reflect a relatively common ground among orthodox Marxists.[101] Their emphasis on the mode of production is also common to all. Their commonality, however, ends in their debates about the appropriate way to analyze economic, political and social structures in LICs. Three broad positions have been surveyed by a number of Marxist scholars.[102] I shall present those aspects of the debate relevant to our discussion.

The debate centers around the issue of the base of society (its economics) and its superstructure (its politics, culture and ideology). The first is a so-called classical position, often referred to pejoratively by critics as "vulgar Marxism," in which the econonmy determines everything else.[103] Warren belongs to this school. The second position stands the first on its head: instead of the economy as determinant, the non-economic aspects of society determine the economy.[104] A third holds a middle position by allowing economic and non-economic aspects to affect each other, but by affirming in the last instance that the economy determines everything else.[105] All claim to be true to the spirit and writings of Marx, and all cite ample evidence to support their side of the story.[106]

The first position claims that the two economic aspects, the forces of production (read technology) and the relations of production (read class), combine together to form the base. The dialectical relations of the two in turn determine the forms and development of the superstructure

(the political elites, the laws that govern society, the kind of curriculum produced to disseminate education, the kind of music produced, the cultural processes, and so on).[107] Thus, the mode of production contains within itself the power to determine those superstructural laws, cultural processes, etc., within society which are necessary for the reproduction of that mode.[108] In short, in this theorizing the non-economic aspects of society are regarded as an epiphenomenon. They exist because they serve to reproduce the economic base or mode of production.

There are theoretical disquiets within this school of economic determinists between those who privilege the forces of production, such as Warren, and those who privilege the relations of productions, such as Dobb.[109] Those who espouse the second position (non-economic determinants) view some aspect(s) of the superstructure as crucial taking it (them) to be the determinants of the economy. Like neoclassicists, this group treats power over the individuals and/or property, or human consciousness as the ultimate determinants of class behavior, technology and culture.[110] Those who focus their attention on power and property claim that the latter ultimately determines the economic, political and social behavior of society.[111] In contrast, those who focus on human consciousness posit the essential position of humans and their human consciousness (of class), and the realization of that position as the basis on which

society changes.[112] Both relegate the economy to the secondary level.

Others, such as Hirst and Hindes, who espouse the third position, in an attempt to circumvent the criticism leveled at economic determinants allow the superstructure and the base to interact and affect one another and, at various points in history, even dominate one another.[113] Nevertheless, this group remains committed to the argument that in the last instance the economy determines everything else. The mode of production, therefore, determines whether (and when) the economy and the non-economy dominate one another at a particular historical epoch.[114] For instance, in LICs, politics and religion may dominate the economy (where domination is a function of the particular mode of production present at that moment in history) and facilitate the exploitation of the society.

These particular tendencies in the orthodox school have all adhered to the same essentialist epistemological terrain and terms of debate. All claim to have captured in theory the true, essential determinants of social reality. In other words, all appeal to either empiricism or rationalism, or both, to support their respective positions. All seem to know what determines the nature of society or what constitutes the true knowledge.

Conclusion

If the dependency paradigm had elaborated a large, but completely untenable, body of theory to demonstrate the impossibility of overcoming dependency without de-linking from the system (the Tanzanian experiment in socialism was perhaps the most widely discussed example within the African continent), orthodox Marxists did not try to adequately explain why what had once seemed utterly impossible (i.e., the industrialization of LICs) had now finally taken place. Instead these authors merely sidestepped the complex theoretical issues, by effectively denying that there had ever been a problem of lagging industrial development. Dependentistas ask, why did it take (as orthodox Marxists such as Bill Warren seem to imply) 150 years for any appreciable industrialization to take place in the LIC's? By avoiding the question, it was impossible for Warren and his followers to transcend the "dependency problematic." All they could do was invert the dependency theory portraying the LICs to be "fat," where dependentistas had shown them to be "skinny."

Where dependentistas had affirmed the impossibility of industrialization, the orthodox Marxist school insisted on its inevitability. Where dependentistas saw stagnation, they saw growth; where dependentistas pointed to increased misery and starvation, orthodox Marxists saw improvement in material conditions; claims about income inequality were countered by evidence of improvements in income dis-

tribution. Where dependentistas assumed imperialism to be monolithic, orthodox Marxists recognized the possibilities for LICs exploiting intra-imperialist rivalries.

The problems of LICs posed by dependentistas, such as the difficulty of creating a market large enough for indigenous economies of scale in impoverished societies, the competition with already existing capitalist countries in the West, the disparities in political and military power that precluded the option exercised by Western Europe and the U.S. in the 19th century (i.e., of closing the economy and carrying out industrialization behind tariff walls), and so on, are simply dismissed as pseudo-problems or non-events by the orthodox Marxist school. African states, who subscribe to this school, such as Congo Brazzaville (1969), Somalia (1970), Benin (1974), Madagascar (1975), Ethiopia (1976), and the former Portuguese colonial empire (Mozambique, Angola, Guinea-Bissau) thought that they could easily overcome their development problems by applying the scientific socialist method.

Dependentistas such as Frank have given us a bleak future when they pose the choice for underdeveloped countries as continued underdevelopment or revolution. The benefits promised by Rostowian modernizationists could not reach and penetrate, as hoped, the larger sections of the community. Instead, the modernizers' paradigm enabled the rich to become richer and the poor poorer. Such contra-

dictions of capitalism are evident in many of the African countries, including Kenya, and probably will intensify.

And yet, the optimism of some orthodox Marxists, like Warren, in light of mass poverty, unemployment and starvation in Africa, is disturbing. The persistence of political repression of workers in many African countries which orthodox Marxists believed will transform to socialism, indicates that they ignore the dynamic and complex nature of the world in order to preserve and perfect their theory. For them, capitalist domination was supposed to bring with it the democratic conditions in which the proletariat can organize itself politically as a pre-condition for overcoming capitalism. Because, according to orthodox Marxists, the proletariat cannot exist at the lower stage of development, the "masses" were to be organized by a party led by "conscious" political elites who incarnate the politics ordained by historical orthodoxy. The party's role is then determined by theory without taking the particular country's complex and dynamic social relations into consideration. Such narrowly conceived development plans are moribund, as the experiences of Kenya and Tanzania show. The plans will ultimately fall of their own weight.

Chapter 3

Endnotes

[1]This is because both the ICs and the NICs regard security as a protection of what they consider "core values." See Walter Lippmann, US Foreign Policy: Shield of the Republic (Boston: Little, Brown, 1943), p. 51; and from the NIC's perspective, see, Talukder Maniruzzaman, The Security of Small States in the Third World, Canberra Papers on Strategy and Defence No. 25 (Canberra: Strategic and Defence Studies Centre, Australian National University, 1982), p. 15.

[2]Edward Shils, Political Development in the New States (The Hague: Mouton and Company, 1970), p. 380.

[3]Thomas Kuhn, The Structure of Scientific Revolutions (2nd ed.; Chicago: University of Chicago Press, 1970).

[4]O. Sunkel, "The Development of Development Thinking," IDS Bulletin, 8, No. 3 (Brighton, 1977) 6-11; and Cyril E. Black, The Dynamics of Modernization (New York: Harper Torchbooks, 1966), p. 7.

[5]Ibid., 7; for a general discussion see, Stephen Resnick and Richard Wolff, "Marxist Epistemology: the Critique of Economic Determinism," Social Text, Vol. 6 (1982).

[6]Ibid.; and Marion J. Levy, Modernization and the Structure of Societies, Vol. 2 (Princeton: Princeton University Press, 1966), pp. 35-36.

[7]Cyril E. Black, The Dynamics of Modernization (New York: Harper Torchbooks, 1966), p. 7; William R. Cline, International Debt and the Stability of the World Economy (Washington, D.C.: Institute for International Economics, 1983), p. 9.

[8]For a general discussion of the neoclassical approach, see Stephen Resnick, John Sinisi, and Richard Wolff, "Class Analysis of International Relations," in An International Political Economy, ed. by W. Ladd Hollist and F. LaMond Tullis, International Political Economy Yearbook, Vol. 1 (Boulder: Westview Press, 1985) pp. 87-123; and D. A. Rustow, A World of Nations: Problem of Modernization (Washington: Brookings Institution, 1967), pp. 275-276.

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[10]See, M. Francis Abraham, *Perspectives on Modernization* (Washington: University Press of America, 1980), p. 13.

[11]A. Inkeles and D. Smith, *Becoming Modern* (Cambridge, MA: Harvard University Press, 1974).

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[13]Wilbert E. Moore, *Social Change* (New Jersey: Prentice-Hall, 1974), p. 94.

[14]Edward Shils, *Political Development in the New States* (The Hague: Mouton and Company, 1970), p. 382.

[15]Walter W. Rostow, *The Stages of Economic Growth* (New York: Cambridge University Press, 1960).

[16]Ibid.

[17]For a general discussion of the neoclassical approach, see Resnick, Sinisi, and Wolff, "Class Analysis of International Relations," pp. 87-123.

[18]Ibid.

[19]S. P. Huntington, "The Change to Change: Modernization, Development and Politics," in *Comparative Politics*, 3, 3 (1971), 303; and "Political Development and Political Decay," in *World Politics*, 17, No. 3 (April, 1965), 393-94.

[20]Leelananda de Silva, *Development Aid: A Guide to Facts and Issues* (Geneva: Third World Forum, n. d.).

[21]See, Resnick, Sinisi, and Wolff, "Class Analysis of International Relations," pp. 87-123.

[22]Ibid., 8.

[23]Leonard Binder, Lucian W. Pye, et al, *Crises and Sequences in Political Development* (Princeton and London: Princeton University Press, 1971), p. vii.

[24]Lucian Pye, *Aspects of Political Development* (New Delhi, 1966), p. 45.

[25]Ibid., 33-45.

[26]Huntington, "The Change to Change: Modernization, Development and Politics," p. 303.

[27]Ibid.

[28]Ibid.

[29]Ibid., 293-94.

[30]D. C. O'Orien, "Modernization, Order and Erosion of Democratic Ideal: American Political Studies 1960-1970," Journal of Development Studies, 8, No. 2 (1972), 351-78.

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[37]Daniel Chirot, Social Change in the Twentieth Century (New York: Harcourt, Brace, Javanovich, 1977).

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[39]W. W. Rostow, The Stages of Economic Growth (New York: Cambridge University Press, 1960).

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[44]Willy Brandt, Independent Commission on International Development Issues, North-South: A Program of Survival (Cambridge, MA: MIT Press, 1980).

[45]Ibid.

[46]Ibid.

[47]Ibid.

[48]Frederick F. Clairmonte and John Cavanagh, "Third World Debt: The Approaching Holocaust," in Economic and Political Weekly, 21, No. 31, (August 2, 1986), 1361-1379.

[49]Ibid.

[50]Ibid.

[51]To mention a few, Paul Baran and Paul Sweezy, Monopoly Capital: An Essay on the American Social and Economic Order (New York: Monthly Review Press, 1966); Andre G. Frank, Capitalism and Underdevelopment in Latin America (New York: Monthly Review Press, 1969); A. G. Frank, Lumpenbourgeoisie: Lumpendevelopment: Dependence, Class and Politics in Latin America (New York: Monthly Review Press, 1972); and, Samir Amin, Accumulation on a World Scale: A Critique of the Theory of Underdevelopment (New York: Monthly Review Press, 1974).

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[62]F. H. Cardoso, "The Originality of the Copy: ECLA and the Ideas of Development," Centre for Latin American Studies, University of Cambridge, 1977 (mimeographed); and see, "Preface" by F. Fernandes in Dependent Development, by Peter Evans (Princeton, NJ: Princeton University Press, 1979).

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[68] O. Sunkel and Pedro Paz, quoted in The Gap between Rich and Poor: Contending on the Political Economy of Development, ed. by Mitchell A. Seligson (Westview Press, 1984).

[69] Arghire Emmanuel, Unequal Exchange: A study of the Imerialism of Trade (New York: Monthly Review Press, 1972), pp. 378-80.

[70] Ibid.

[71] Ibid.

[72] Ibid.

[73] Ibid.

[74] Immanuel Wallerstein, The Capitalist World Economy (New York: Cambridge University Press) and "How Accumulation Works," in Contemporary Sociology, Vol. 10, No. 1 (1979); and "The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy," in The Sixteenth Century (New York: Academic Press, 1974).

[75] Ibid.

[76] Ibid.

[77] Ibid.

[78] The neoclassical school argues that conventional economic factors account for this growth, that foreign investment has played a key role in unleashing this potential for growth, and that this growth has brought modernization and greater equity in social and economic relations. In contrast, dependency theorists argue that industrialization in the NICs has simply transformed, rather than eradicated, the specific structures of external d ependence and has done little, if anything, to ameliorate

internal dependency conditions (Cardoso, 1981, provides a good comparative overview of these contending perspectives).

[79]There are significant limitations on the process of industrialization itself because of the major role of foreign capital. Many LICs industries are primarily linked into the network of their multinational corporate systems, so that a segmentation or 'disarticulation' of the domestic economy, analogous to the export enclave system still remains. Furthermore, the MNCs centralize research and development and concentrate the introduction of new technology in the core countries so that only routinized technology is sent to or developed in the dependent economies. This keeps their industrial structures decidedly behind economic conditions in the old imperial centers. Finally, this industrialization process requires such substantial imports of machinery and intermediate products that severe balance-of-payments problems almost inevitably result, as in the cases of Brazil and Mexico. The importance of external capital in promoting dependent development means that external dependence continues and may even be intensified. There is little reason to believe that a semi-independent state bourgeoisie will be any more interested in ameliorating the ill effects of internal dependence than were the indigenous and foreign elites in the stage of 'classic dependence' (Amin, 1974; Evans, 1979).

[80]Ronald H. Chilcote and Joel C. Edelstein, Latin America: The Struggle with Dependency and Beyond (Cambridge, MA: Schenkmann Publishing Company, 1974), p. 59.

[81]Immanuel Wallerstein, The Modern World System I: Capitalist Agriculture and the Consolidation of the European World Economy 1600-1750 (New York: Academic Press, 1974); and The Capitalist World Economy (Cambridge: Cambridge University Press, 1979).

[82]Theotonio Dos Santos, "The Structure of Dependence," in American Economic Review, 60, No. 1 (1970), 231.

[83]O. Sunkel, "Transnational Capitalism and National Disintegration in Latin America," Social and Economic Studies Journal 22, (1973), 1.

[84]See, the studies of both institutions by Cheryl Payer, The Debt Trap: The International Monetary Fund and the Third World (New York: Monthly Review Press, 1974); and The World Bank: A Critical Analysis (New York: Monthly Review Press, 1982).

[85]Theotonio Dos Santos, "The Crisis of Development Theory and the Problem of Dependence in Latin America" in

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[86]See, R. Peter Dweitt and James F. Petras, "Political Economy of International Debt: The Dynamics of Financial Capital," in Debt and the Less Developed Countries, ed. by Jonathan David Aronson (Boulder, CO: Westview Press, 1979), pp. 191-215.

[87]See, Arthur MacEwan, "The Current Crisis in Latin America," Monthly Review, 36 (February, 1985), 1-18.

[88]For instance, Bill Warren, "Imperialism and Capitalist Industrialization," New Left Review, No. 81 (September/ October 1973), p. 3; Geofrey Kay, Development and Underdevelopment: A Marxist Analysis (London: Macmillan, 1975), p. x.

[89]Karl Marx, Capital (in 3 vols.), Vol. 1, ed. by Fredrick Engles (New York: International Publishers Co., Inc., 1967), pp. 8-9.

[90]Colin Leys, Underdevelopment in Kenya: The Political Economy of Neo-Colonialism (Berkeley and Los Angeles: University of California Press, 1975), p. 3.

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[92]Bill Warren, "Imperialism and Capitalist Industrialization," New Left Review, No. 81 (September/ October 1973), p. 3.

[93]Ibid; see also, W. W. Rostow, The Stage of Economic Growth: A Non-Communist Manifesto (Cambridge: Cambridge Press, 1960). It should be clear that Warren's ultimate goal is to achieve a socialist society, unlike Rostow, whose goal is the maintainance of the capitalist mode of production.

[94]See Sayid Marsot and Afaf Lutfi, Egypt in the Reign of Mohamed Ali (Cambridge and New York: Cambridge University Press, 1984). See in particular, after the fall of Muhamed Ali in Egypt, in the 1860's.

[95]Terence Robertson, ed., Crisis: The Inside Story of the Suez Conspiracy (New York: Atheneun, 1965).

[96]See Anthony Sampson, The Seven Sisters: The Great Oil Companies and the World They Lived (7th printing; 1975), pp. 150-52.

[97]Bill Warren, Imperialism, Pioneer of Capitalism (London: New Left Verso Books, 1980).

[98]Geofrey Kay, Development and Underdevelopment: A Marxist Analysis (London: Macmillan, 1975), p. x.

[99]Ronald H. Chilcote and Joel C. Edelstein, Latin America: the Struggle with Dependency and Beyond (Cambridge, MA: Schenkmann Publishing Company, 1974); Julius K. Nyererem, Uhuru Na Ujama: Freedom and Socialism (London: Oxford 1968), pp. 14-19.

[100]Anthony Brewer, Marxist Theories of Imperialism: A Critical Survey (London, Boston and Henley: Routledge and Kegan Paul, 1980), ch. 11.

[101]Ibid.

[102]Unless otherwise noted this is taken from the works of Resnick and Wolff in, Stephen Resnick and Richard Wolff, "Rhetorics, Economics and Marxian Theories," Association for Economic and Social Analysis, (discussion Paper #31, March, 1986), pp. 16-32.

[103]Ibid.

[104]Ibid.

[105]Ibid.

[106]Ibid.

[107]Ibid.

[108]Ibid.

[109]Ibid.; also see, Maurice Dobb, Studies in the Development of Capitalism (New York: International Publishers, 1947).

[110]Ibid.

[111]E. P. Thompson, The Making of the English Working Class (New York: Vintage/Random House, 1966), pp. 9-13, 424.

[112]Stephen Resnick and Richard Wolff, "Rhetorics, Economics and Marxian Theories," March, 1986.

[113]Ibid.

[114]Ibid.

PART II

TANZANIA AND KENYA

Chapter 4

HISTORICAL PERSPECTIVE

Introduction

In the preceding chapter we outlined the three main theoretical models of development (or underdevelopment) in order to introduce the dominant development paradigms that influence development policies in LICs such as Tanzania* and Kenya. The assessment of the impact of these paradigms and of the contemporary international order (or disorder) cannot be complete without, at least, a general comprehension of LIC's, in our case, Tanzania's and Kenya's political and economic colonial history. We believe that the colonial experiences by both countries had three major consequences. First, it hastened the destruction of traditional land tenure patterns among the various tribes without replacing them or alleviating any of the consequent distress. Second, it fueled nationalist anger at the allegedly unjust acquisition of African land by European settlers under

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*The mainland was called Tanganyika before it formed a union in 1964 with the islands of Zanzibar and Pemba, off the coast of Tanganyika. Throughout this chapter (unless otherwise indicated) the country shall be referred to as Tanzania although the discussion concerns only events on the mainland.

colonial auspices. Third, it laid the foundation for the post-independence development patterns of both countries and assured their economies incorporation into the world economy. The first consequence magnified the second and the third. Colonial land policy, in the cases of Tanzania and Kenya, resulted in the dissolution of traditional tribal land tenure patterns only after the outbreak of the Mau Mau and the Maji Maji uprisings respectively, and with the problems of political rights only after both countries' sudden propulsion towards independence in the 1960's. This chapter will present a capsule summary of these experiences.

Environmental Factors

Geography**

The Republic of Tanzania possesses the most varied ecology, even in comparison to any other African country.[1] Tanganyika, the name prior to independence, means literally the "bush behind Tanga." Tanga, a port on the northeastern coast of the country (see map 3), is the one specific place in the territory's name. The rest of the title is vague, refering to the bush behind the town. This may well be a reflection of the coastal people's ignorance of the hinterland.

**Unless otherwise noted all information concerning the geography of both Kenya and Tanzanya are taken from, E. A. Boateng, A Political Geography of Africa (Cambridge: Cambridge University Press, 1978), pp. 199-217.

In any case, until the middle of the nineteenth century, the interior of Tanganyika remained less well known to outsiders than its Indian Ocean coast. There is a belt of tropical forest along the coast and on the islands of Zanzibar and Pemba. It contains the highest mountain, Mount Kilimanjaro, which rises to 19,340 ft., and the lowest spot in Africa, the floor of Lake Tanganyka, which is believed to be 1,175 ft. below sea level.[2]

The United Republic of Tanzania encompasses a land area of 364,900 square miles, including the three off-shore islands of Zanzibar, Pemba and Mafia, measuring about 1200 square miles.[3] The country borders with Uganda and Kenya on the north; with Zaire, Rwanda, Burundi on the west; and with Zambia, Malawi and Mozambique on the south (see map 1). Its coast line stretches 500 miles on the east along the Indian Ocean.

Tanzania did not offer an environment conducive to the development of sustained economic activity. Over half its area is unable to support agricultural production due to shortage of water in the hinterland.[4] During the interwar period only 10 percent of the territory was then well watered, and this area contained about 2/3rd of the total population. Most fertile and densely populated areas lie in a huge broken circle in the northern and south-western highlands on the periphery of the country's borders.[5]

But there are also highland areas, including several of volcanic origin, where rainfall is high, the soil fertile,

and the climate cool, so that temperate crops can be grown. This comprises only one fifth of Tanzania[6] and when one considers that almost 90 percent of the population is dependent on agriculture for its livelihood, the particular nature of the climate negates the advantage of Tanzania's considerable size.[7]

The West comprises a plateau, about 1000 meters above sea level, where the rainfall averages more than 750 millimeters a year. It has also great lakes such as Lake Tanganyka; Lake Victoria which is shared by both Uganda and Kenya; and Lake Nyasa, along the border with Malawi in the South-west. There are also several rivers, some of them with the potential to produce hydro-electric power and the possibility of developing irrigation.[8]

In 1985, Tanzania had an estimated population of 22.2 millions, of whom 48 percent were under the age of fifteen.[9] There are some 120 tribes, with none having a majority. The largest, the Sukuma tribe, comprises only 13 percent of the total population.[10] The absence of a dominant tribe is highly advantageous, given the fact that most countries in Africa which have dominant tribes suffer from tribal dissent and the development of rival subnationalisms. The fact that a one party state could evolve without violence, as has been the case in many parts of Africa, attests to this fact.

The Republic of Kenya, on the other hand, encompases 225,000 square miles, equal to the size of France. It has a population of approximately 20.1 million people. The

proportion of the population under the age of 15 numbers approximately 51 percent.[11] The equator crosses the Republic 90 miles north of Nairobi, the capital city. The country has nearly 14,000 sq.km. of water surface, and of the remaining land surface, about 2/3rd is semi-arid or desert. Only about 18 percent of Kenya is fit for agricultural production.[12] The country has several lakes, including Lake Victoria, the largest lake in Africa and the second largest in the world. Kenya borders Somalia and the Indian ocean in the East, Tanzania in the South, Ethiopia and Sudan in the North, and Lake Victoria and Uganda in the West (see map 1).

It has seven administrative provinces, in addition to Nairobi. They are, in order of size, the Rift Valley, Eastern, North-Eastern, Coast, Nyanza, Central, and Western. About 98 percent of the people living in these provinces are persons of African origin, with the remainder from Europe and Southwest Asia. In 1957, three years before independence, Europeans, comprising several nationalities, numbered almost 60,000.[13]

There is heavy rainfall on the coast and in the Highlands. Elsewhere it is sparse; a large part of Kenya is semi-desert. For land to be suitable for agriculture 30 to 40 inches is necessary, yet only 1/3rd of the country receives a rainfall of more than 20 inches. The average rainfall for Northern Kenya is under 10 inches, the East receives less than an average of 20 inches.[14]

In sharp contrast, large areas of the Highlands have a rainfall of 40 to 50 inches, and in some places the average rises to over 60 inches. But overall, the rainfall is unreliable and as one might expect this unpredictability has influenced the history and political economy of Kenya.[15]

Tanzania and Kenya share many features. As has been pointed out, both countries have their richest farmland in the highland areas between 4,000 and 7,000 feet above sea level, which are most suitable for the cultivation of coffee and tea. While Kenya has no mineral deposits, Tanzania possesses large deposits of iron ore and coal that could contribute significantly to its national income.[16]

As one might expect in both countries, the bulk of the population is heavily concentrated in the arable land areas. Both countries share a common language, Kiswahili, and both were British colonies, Tanzania after WW I when the British took possession of the German colonies. When they were part of the British empire both countries, including Uganda, were closely linked in a customs union, having a postal union and shared airways, currency, common railways, and other systems.[17] Many hoped that this common bond would eventually lead to a political union once they gained their independence. But such a hope was soon dashed because the political, economic and colonial history of each differs, to some extent, making it difficult for such union to take place.[18]

Indeed, the two countries "slowly but surely" fell apart, culminating in the demise of the celebrated East African Community in June 1977.[19] Why this is so has been the subject of numerous studies.[20] Here we will confine ourselves to presenting a capsule summary of the political and economic history of the two countries.

History

When European settlers first arrived in Tanzania and Kenya they had very little or often a distorted knowledge about Africa. To them, Africa was a place where they were needed to civilize inferior creatures who lived there. Not surprisingly, such preconceptions and justification for settlement led them to the conclusion that the African way of doing things was savage, and while theirs was civilized.

Elspeth Huxley, one of the most vocal apologists of colonization, summed it up when she explained the reasons behind colonization:

> [An] inherent conviction that civilization in itself was good....Civilization was good, savagery was bad. The logical corollary of this belief was that anyone who spread civilization was doing right, was conferring a benefit on the people he helped to civilize....There could be no question, therefore, but that the white man was paramount, and must remain so until the native became--if he ever did--the intellectual equal of the European.[21]

Another apologist of colonialism, Lord Lugard, was more frank:

> The growing population of Europe, together with its industrial expansion,...led to the replacement of agriculture by manufacturing industry, with the consequent necessity for new markets for the product of the factory, and the importation of raw materials for

industry, and food to supplement the decreased home production, and feed the increased population. The tropical regions...fulfilled these growing needs.[22]

He continued:

> [T]he backward condition of the people, and their preference for agricultural pursuits, offer the prospect of continued markets for manufactured goods. The tropics produce in abundance a class of raw materials and food-stuffs which cannot be grown in the temperate zones, and are so vital to the needs of civilized man that they have in very truth become essential to civilisation. It was the realisation of this fact...which led the nations of Europe to compete for the control of the African tropics.[23]

Based on these views, the Europeans began their scramble for Africa in the late 19th and early 20th centuries. The European occupation of Tanzania and Kenya took place between 1885 and 1895 at the very moment when European powers were locked in fierce rivalry over political, economic and territorial claims and counterclaims.[24] Their decision to partition Africa at the Berlin Conference was partly designed to divert their serious internal political problems from escalating into a world war.[25] In any case, the scramble left Germany with possession of Tanganyika, and Britain with Kenya.

Tanzania

Germany's interest in East Africa began in the middle of the century, when German business houses were established in Zanzibar, and German missionaries and explorers under the auspices of the English set foot on the mainland.[26] In 1884 the Gesellschaft fur Deutsche Kolonisation (Society for

German Colonization) was set up as a company by an adventurer Karl Peters, one of its founding members.[27] Under his leadership, the island of Zanzibar fell under the jurisdiction of Germany. From this coastal foothold the Germans moved inland and encroached into Tanganyka. In 1885, as a result of the Berlin Conference that took place between 1884-85, Germany officially took possession of Tanganyka, including Ruanda and Burundi, as its colony, naming it German East Africa.[28]

The Berlin Conference of the European powers thus sanctioned the scramble for Africa and laid the foundation for them to establish their respective spheres of interest in Africa. The subsequent Anglo-German agreement of 1890 placed Tanganyika and Kenya under the sole control of the German and the British empire, respectively.[29]

The establishment of German authority over German East Africa (hereafter referred to as Tanganyika) was not easy. It ignited an open warfare with the indigenous people. The most famous organized resistance against the German authority has been recorded in history as the "Maji-Maji"[30] rebellion of 1905-1907. (Maji means water. The water was given by a medicine man, Kinjikitile, who taught that Africans were one and that his medicine, the water, was stronger than European weapons.[31])

Lumley reports that the German authorities, because of their frustration to control the resistance, took revenge by killing over 100,000 people.[32] In the process, not only did

they put the indigenous people forcefuly under their firm control, but they also destroyed all of the peoples' traditional political, economic and juridical practices. In its place, they substituted a new rule called the "Akida System," known as "Direct Rule."[33] This system involved the appointment of a minor African administrator to enforce the general orders of the German rulers.[34]

Also, the new colonial legal system institutionalized private property, individual tenure, labor contracts, and master-servant relations, using the colonial military and police to enforce the laws.[35] In the economic realm, two types of export production were attempted: European plantations that employed wage labor and communal farms on which Africans were forced to work. The communal farms, in particular, were a source of discontent that grew into the full-scale revolution of 1905-1906.[36]

Rweyemamu observed that Germany decided to use its colony as a secure source of cheap raw cotton for its growing textile industries in the metropole.[37] Consequently, it developed a basic infrastructure (railroads, harbors, a tropical plantation economy, civic buildings, education and a certain residue of discipline)[38] and built the estate sector in order to make its economic activities in its colony as profitable as possible. The task of building the necessary infrastructure was left for the Ost-Afrikanische Eisenbahn Gesellschaft.[39] As an incentive the Reich gave the company all sorts of concessions, even free

grants of land and 3 percent interest guarantee on its capital.[40]

The Company soon constructed a central railway across the territory, largely following the old caravan routes. Construction began at Dar es Salaam (once the capital city) in 1905. The track reached Morogoro in 1907, Tabora in 1912 and Kigoma in 1914 (see map 3).[41] A railway line was also opened in the sisal growing area of Korogwe in 1902, and the coffee and rubber growing areas around Moshi in 1912.[42]

The result was not disappointing to the German Imperial state, for the investment paid off. According to Siedman, "Tanganyika produced 20 percent of all the goods imported by Germany from its colonies and bought about 16 percent of the goods exported by Germany to them in 1912."[43] Iliffe estimated company and private capital invested in Tanganyika in 1913 at f4,800,000, of which f1,050,000 went to the railways, f2,400,000 to agriculture, f1,100,000 to trade, industry and mining, and f250,000 to banking.[44] Before the outbreak of World War I, there were about 270 commercial and industrial undertakings, 8 cotton plantations, 60 coffee plantations, and about 440 plantations and farms for mixed agricultural products.[44]

This large capital investment belonged mainly to immigrant nationalities of Asians, Germans, British, Greeks and other Europeans. Of these, the German nationals predominated numerically and as owners of big capital. In 1913, 4000 out of a total of 5000 Europeans were Germans.[45]

The Asian community, on the other hand, was mainly concentrated in commercial activities.[46]

The profit made by these nationals in their local and foreign capital investments was enormous. For instance, in 1911 alone their profit from sisal production rose as high as 25 per cent.[47] (After WW II, during the Korean boom of the 1950s, the sisal companies reaped enormous profits, estimated as much as 72 and 45 percent in 1951 and 1952 respectively.[48]) Even though this profit was part of the product of the Tanganyikan's labor it was not reinvested in the country to benefit them. Instead, as Rweyemamu's study shows, in 1912 alone as much as 30 percent of the settlers' profit was repatriated.[49]

Interestingly, the Germans, as opposed to the British in Kenya, never encouraged a permanent settlement of German nationals because they found Tanganyka's climate not suitable for European settlement.[50] Moreover, there were no mineral resources of value to encourage significant European settlement. Neverthless, there were about 1000 settler families, hardly enough to control and force the people to work for them as in the case of the "White Highlands" of Kenya.[51] The Germans gave about 1.3 million acres and the British after World War I about 1.4 million to European settlers as "alienated" land in Tanganyka.[52] Compared with alienation of land in other British colonial possessions, particularly in Kenya, this was relatively minor, though its impact was substantial.

After Germany's defeat in World War I, the principal Allied and Associated powers agreed, pursuant to conditions of the Treaty of Versailles (in 1920) and the League of Nations, that the United Kingdom should administer mainland Tanzanya as a mandate.[53] It was the British who gave to the mandate territory the new name of Tanganyika and set up administrative structures, headed by a governor assisted by an executive council of nominated members.

On the surface, the mandate status seemed advantageous for Tanganyika, because it seemed to prevent the British from having direct and full control over it, as it had over its favorite colony--neighboring Kenya. Also, the mandate required the British to enforce economic development, trade relations with all members of the League of Nations and, even after the demise of the League with its successor the United Nations, no further alienation of lands beyond what had been carried out under German rule, and the guarantee that the inhabitants of the territory would eventually govern themselves.[54] In short, the mandate made it clear to the British that the colony was to be administered in the interests of "the material and moral well-being and the social progress of its inhabitants."[55]

But that did not deter the British from exploiting the Tanganykan people. In fact, following World War I, a closer union between all British administered countries in East and Central Africa was contemplated to facilitate a further exploitation of the colonies. It was only the absence of

adequate transportation that prevented the union from coming to full fruition. Even then, as early as 1927, the British were able to succesfully join Tanganyika, Uganda and Kenya in a common customs union. Its purpose, as admitted by both the British Foreign Office and the British commercial interests in East Africa, was mainly to facilitate economic development in the region for the benefit of the British.[56]

If any indigenous people among the colonized benefitted in the region from this union, it was not the Tanganikans, but the Kenyans. This was because foreign business owners (mainly Asians, Greeks, and British nationals), were unsure of the mandate status of Tanganyka. Therefore, they were reluctant to invest there. But in Kenya and other British East African colonies where a significant number of European settlers lived and where the countries' political status was much clearer, foreign nationals were investing heavily.[57] In the early 1930s, the European settlers in Kenya envisioned once again a European dominion in a region stretching from Kenya to Rhodesia (now Zimbabwe), including Tanganyika.[58] But because of the repercussions that their superior racial attitude would have had throughout the federation, the union was adamantly opposed by the colonial Governor of Tanganyika as well as by the Indians and Africans who lived in Uganda and Tanganyika.[59] Tanganyika and Uganda were especially afraid because they thought closer ties with Kenya would further undermine their limited political freedom and economic progress.[60]

In response to these concerns, the Hilton Young Commission (1929) recommended that a formal East African union should be postponed. As a result, official efforts to federate temporarily subsided.[61] Meanwhile, the British continued to settle their subjects in Tanganyka; albeit in small numbers compared with the numbers of the Europeans they helped settle in neighboring Kenya.[62] In any case, the settlers in Tanzania never reached sizable numbers to threaten the future political independence of the people as the settlers in Kenya did to the Kenyan peoples.[63]

The British rule of Tanganyka under the mandate lasted from 1919 to 1945. In 1946 the mandate status changed to a United Nations Trust Territory still under British control.[64] Yet, the political and administrative developments in Tanganyika proceeded very slowly. The first significant change under the new system was the introduction of a system of administration now generally called "Indirect Rule."[65]

This system was a reversal of the German system of administration. The new system was a form of administration in which traditional chiefs serve as a conduit between the colonial administration and indigenous people. Such an administrative arrangement was effective since it made the people feel that they actually participate in the management of their own affairs when in fact they were not.[66]

True, with the indirect rule the local authorities were given token executive, judicial and financial powers over

their ethnic groups. This helped the British to extend their control over wide areas of the trust territory, especially where the traditional chiefs had control over the people.[67] But the system was not entirely successful in areas where chiefs were non-existent. For instance, indirect rule was successful in places like Bukoba.[68] But such was not the case in other places like Ugogo (Dodoma, the present capital city of Tanzania, is located in it. See map 3) because the people there lived in small groups and had no traditional chiefs.[69]

On the economic front, plantation agriculture, especially sisal, which had proved to be suitable to the climate and profitable in the world market, developed. But as suggested earlier, because of better opportunities in Kenya, the settler population and other investors chose to invest heavily in Kenya rather than in Tanganyika.

The one exception, in the case of Tanganyika, was the Meru land case. There, the British forcibly evicted 3000 African farmers from some of the fertile lands to make way for European settlement.[70] With hindsight, this action by the British was a blessing in disguise, for it helped the Tanganyikan peasants to organize and fight against British colonialism.[71]

British colonial policy stressed the total subordination of native interests to European settlers' interests.[72] Consistent with this ideology, the British failed to make any progress in Tanganyika during the

depression and the decade of the 1930's, and instead left it to drift into the shadow of its rival neighbors. This situation was further complicated and worsened by World War II in Europe and North Africa.[73]

These changes in the international and domestic scene influenced the politicization of the Tanzanian people. At first, voluntary associations concerned with mutual aid of their members began to appear.[74] In 1924, for instance, the Tanganyka African Civil Servants Association (TACSA) was formed to promote the welfare of government employees in Tanga.[75] Following the formation of TACSA, the Tanganyka African Association(TAA), from which the Tanzanian African National Union (TANU) emerged, was formed in Dar Es Salaam to function chiefly as a mutual benefit organization for urban African dwellers.[76] Meanwhile, the rural areas were also organizing themselves to protest against unacceptable British administrative policies. Because these organizations took the form of tribal unions there were as many as there were different tribes.[77]

Gradually, the TAA became more politically oriented and extended its influence further into the rural areas.[78] In the process it formed allies with the tribal unions which later became affiliated to it. Prior to its incorporation of tribal unions, TAA membership was composed of only central government employees and teachers. Later, its membership expanded to include African traders, African farmers, and local government employees.[79]

Once it reached this stage it began playing a more active role in national politics. For example, in 1947 TAA protested the proposal which sought to create an East African Central Legislative Assembly because in that case Tanganyika would be drawn into an East African Federation which would be dominated by Kenyan white settlers.[80]

By the 1950's TAA had consolidated its political activities to such an extent as to include cooperatives and other non-political organizations in its membership.[81] This was a period where cooperative societies, affiliated to the Victoria Federation of Cooperative Unions, founded by Paul Bomani, had become significant in the cotton belt area around Lake Victoria.[82]

Several reasons account for the proliferation of such cooperatives across tribes. First, the slave trade had altered tribal systems by destroying the fabric of traditional tribal society. Thus, there was a need to replace the old order by something resembling it. Second, colonialism helped spread, albeit inadvertently, the Swahilli language from the coast to the interior of the mainland, thus making it possible for various ethnic groups to have a common language.[83]

The emergence of a common language benefitted the British and the Tanganykans, the latter because it helped them organize, with ease, a national movement against British colonialism. The British, on the other hand, benefitted because they used Swahili as a lingua franca for

their colonial administration. The net benefactor from this became clearer after Julius Nyerere, the admired leader of the indigenous people, returned home from extended college studies abroad.[84]

Immediately after Nyerere's return in 1953, he was invited to become president of TAA. The TAA, at that time, lacked strong coordination between the center and the branches because it had extended itself thinly over a wide area.[85] Nyerere, taking advantage of the widely spoken Swahili language, immediately set out to transform the TAA into a political party. Thus, on July 7, 1954, the TAA members who were meeting in Dodoma announced the formation of the Tanganyka African National Union (TANU) in place of TAA.[86]

Yet, TANU, at the beginning, functioned as a national movement rather than a national party. Its sole aim, prior to the country's independence, was to gain freedom from colonial rule. It achieved its goal of independence on December 9, 1961, under the leadership of Nyerere.[87] On Independence day, Tanganyika, renamed Tanzania, became a republic, an act which added life to the country's motto--Uhur na Umoja (Freedom and Unity)--and Julius Nyerere moved to the executive office as president.[88] Soon after, Tanzania's major preoccupation became nation building, the creation of an ideology in order to give a coherent policy guidance to government, the Africanization of the leadership and the civil service, the modernization of the agricultural

and industrial sectors, and the striving to achieve social reform based on egalitarianism.[89] He sought to achieve these objectives primarily through party control of those institutions which might otherwise have bred opposition.

Nyerere understood that Tanzania lacked well developed political institutions to implement some of his ambitiously stated objectives. Consequently, after only fourty-four days in office, he resigned as a leader of the government and decided to concentrate more on institution building, as president of TANU.[90]

Although many speculated that Nyerere had been forced out of office by some of the more militant members of parliament who advocated complete and immediate Africanization of all government posts, it was obvious to Nyerere, and possibly to some of the more enlightened elite, that Tanzania was still a long way from becoming a self-sufficient nation.[91] Hurriedly achieved independence, a flag, a national anthem, and a national emblem, did not make it a nation. Nyerere explained his reasons for stepping down:

> ...Our new objective [is]...the creation of a country in which the people take a full and active part in the fight against poverty, ignorance, and disease. To achieve this purpose it is necessary to have an able, elected Government which has the full support and cooperation of the people. This we have had and will have. It is also necessary to have a strong political organization active in every village, which acts like a two-way, all-weather road along which the purposes, plans, and problems of Government can travel to the people at the same time as the ideas, desires, and misunderstandings of the people can travel direct to Government. This is the job of the new TANU.[92]

To this end, one of the first changes introduced by the government took place in the civil service system where a TANU representative was installed as the head official in each of the regions and areas. The civil servant holding this office, who in most instances was still a European, became the secretary to the TANU official, but continued to handle the administrative workload. With such a system, Nyerere felt he had constructed the "two-way, all-weather road" which would provide the necessary linkage between the central government and the people. He regarded TANU as an indispensable instrument for nation building.[93]

During the first year of its independence, Nyerere finally settled down to concentrate on the much needed political and economic development of the country. He pushed for the implementation of the 1961-63 first development plan.

Kenya

The initial stage of exploration, conquest, and establishment of British dominant rule in Kenya (and Uganda) took place from 1888 to 1903. In 1888, the Imperial British East African Company (IBEAC), began operating from a base in Mombasa (see map 2). In 1889, the IBEAC moved inland to control Uganda and by 1890 the Anglo-German agreement officially established that Uganda lay within the British sphere. Once Uganda fell the British East African Empire required effective communication with the coast and the

Indian Ocean. Consequently, Britain decided to build a railroad between the coast (in Kenya) and Uganda to facilitate development and thereby assure her a return in her investment on railroad construction.[94]

To do this, the British government first began seizing land from the local Kenyans and Ugandans by a series of land ordinances for railroad construction and for European settlement.[95] The Africans who lost their land to the Europeans were confined to "native reserves." Thus in Kenya there was a Kikuyu reserve, a Luo reserve, a Kamba reserve, and so forth.[96] Within the reserves, the Africans lived a peasant life, meaning that they engaged in small-scale traditional agriculture, producing partly for their own consumption and partly for the market.[97]

In Kenya, spatial differentiation and development began with the completion of railway construction in 1902 linking Lake Victoria with the sea. As Soja notes:

> The construction between 1895 and 1902 of the Kenya-Uganda railway, more than anything that preceded it, signified the start of the second growth stage, a stage in which "the development of penetration lines sets in motion a series of spatial processes and readjustments as the comparative locational advantages of all centers shift." Although it nearly paralleled the caravan route for most of its course, the railway produced its own nodes [key route] which superseded the old ones in importance.[98]

The British with their commitment to East African colonization in 1895, started the railroad construction work in 1896 at Mombasa on the coast. The railroad reached Nairobi in June 1899; in July the railway headquarters was

moved there from Mombasa and in August the line was open to the public.[99] After the Mombasa-Nairobi line opened, government administrators settled in Nairobi, and by 1900 a small Indian bazaar appeared and military barracks were established. With the arrival of white settlers to farm the Highlands in 1902, the destiny of Nairobi was set as the future administrative capital of a future state. The incorporation of the interior of Kenya into the world economy was assured.[100] Once the railroad was complete in 1902, the Crown Lands Ordinance enabled more European settlers to obtain grants of land in the fertile areas and settle there.[101]

Foreigners' occupation of land continued without regard to the Kenyans who owned it, and with little consideration to the traditional agriculture, land tenure system, and nomadic grazing of the various local political groups. Once in Kenya, the white settlers sought to consolidate and increase their control over the life of the colony.[102] One key element in this campaign was to settle what came to be known as the 'White Highlands', the racially exclusive European farming area encircling the Rift Valley, which tended to create buffers between rural African communities and, in particular, to block the westward expansion of the Kikuyu into lightly populated pastoral Masai country.[103] With the establishment in 1902 of an official policy of colonization in Kenya, "the issues and course of development were, in a large part, a response to interracial tensions;

....it was unquestionably in the economic sectors of land and labor that African-English hostilities were to polarize."[104] Early colonial government policy was strongly biased toward the protection of settler interests.[105]

From the onset, the economy was shaped by the plantation pattern, an enclave to be developed and expanded separately from its surroundings. To this end, for instance, in 1904, the Land Office required that a line be drawn "to separate the uninhabited from the inhabited areas" and that this line be used to govern the parceling of land to European settlers.[106] As soon as they learned that this was not going to be enough they introduced a policy of indiscriminately taking lands from the Africans.[107]

Kenyan immigrants were not colonists in the same sense as those men who settled in the Western Hemisphere and employed labor from their own family; instead, they came with the expectation that labor requirements would be met by the African population. As early as 1905, a political issue emerged, which reflected this sentiment. Assertions were made by the British that it was "grossly unfair" to invite Europeans to immigrate and fail to supply them with labor.[108] Such ideas served the European settlers well to justify the primacy of their rights over Africans. Elspeth Huxley's candid remark reflects such feelings of the time when she said, "the idea that the interests of...untutored tribesmen...should be exalted over those of the educated Europeans would have seemed...fantastic."[109]

Not surprisingly, the justification mentioned above, coupled with the continued white settlement, had a certain symmetrical convenience, for it deprived the Africans of land and created a landless labor force that was required to work for the Europeans in order to survive. There were also other measures used to prevent the native Kenyan from leading a self-sufficient life on his/her own land. One was the poll tax instituted in 1908 to force Africans to seek cash incomes by working for European settlers as laborers.[110] Second, because of the growth of the African population and economic necessity, many Africans were compelled to accept jobs, even with poor pay, that the Europeans were offering them.[111] Third, Africans were denied from growing cash crops within the reserves for fear that they might become prosperous and consequently deprive the European settlers with a cheap labor supply.[112]

This fear did not translate into reality, at least up until World War I broke out, because African and European agricultural production increased simultaneously. Even production in the African reserve increased at the same time as African participation in wage earning. At the height of World War I, however, wartime labor compulsion and population decline contributed to the decline of food production in the reserves. But, soon after the war, production increased as before, save for a slight setback starting in the depression of 1921-22, and lasting until about 1925.

In the 1920's, the labor issue shifted from a demand for a stable labor supply to a defense of substandard conditions of employment. Inadeqate wages, justified on the ground that they prevented the quick return of Africans to the reserves, were reinforced by abuses in housing and diet. Such treatment of Kenyans was harsh even compared to the treatment of Africans in other parts of Africa, as in Tanzania.[113] From the British point of view, although labor in terms of numbers was abundant, it was its alleged relatively high price which was not acceptable.

In addition, because the Kikuyu were intensive agriculturalists and were experiencing population pressures that they suffered the consequences of racial discrimination more than other ethnic groups. Settler pressures to extend the area of the Highlands, the imposition of an identification document for Kenyans, a co-ordinated deduction of wages by settlers and government, increased taxation of Kenyans and the harsh treatment of employees during the currency change from the rupee to the shilling provoked further resentment and bitterness among the population.[114]

The repressive colonial practices and mentality of the British was the principal cause of the early development of Kenyan nationalism. African labor resisted working for returns which in terms of satisfaction were less than those obtained from self-employment on the traditional subsistence farm.[115] As early as 1921, Jesse Kariuki and Henry Thuku (both Kenyans from the Kikuyu tribe) founded the East

African Association (no relation with the East African Community) in order to secure tenure of the land that was still in their possession and to try to regain the land that had been taken by the British.[116] At first, the Kikuyu and later other African groups spearheaded political activism. In 1922 the British closed down the East African Association as a result of Thuku's militant program.[117] But that was not all. Such attempts to protest the situation were met with stiff resistance and hostility from the colonial adminstration. According to Hopkins:

> ...early attempts to consolidate African discontent within an organizational structure were regarded with considerable suspicion....The efforts of Harry Thuku, for example, to institute certain labor and taxation reforms were very promptly defined by government as 'seditious,' and led to his deportation as a danger to public security in 1922.[118]

A major consequence of such a British policy was that the Kenyan's sensitivity to the relevance of race as a source of political identification greatly increased. The demonstrated marginality of African participation in decision making led to a new level of identification that superseded the traditional tribal loyalties. Race, not tribe, was to be the primary determinant of status.[119] Kenyans believed land given over to European settlement had been taken from them wrongly, and the redress of this grievance became a fundamental article of the nationalist political faith until the early 1960s.

The formation of the Kikuyu Central Association (KCA) in 1924 was primarily to address this issue.[120] The KCA,

according to Brown, had three main concerns:[121] (a) a constitutional reform which will enable Africans to participate in Kenyan politics; (b) the return of their land taken by the white settlers; and (c) a return to the traditional customs, in this case the Kikuyu ethnic custom.

With these guidelines the KCA continued its agitation against colonialists' discrimination throughout the 1930s. But like its predecessor, the East African Association, it too was banned and its leaders detained in the 1940s.[122] Unlike its predecessors, however, the KCA did not disintegrate. Instead, it went underground and continued its agitation throughout World War II.[123]

A colonial land policy in the 1920's concentrated less on increasing African control over the country than on entrenching each rural racial and ethnic community, including the Europeans, in land areas reserved for their exclusive control. The White settlers wanted even more; to further consolidate their economic gains by attempting to muster political and cultural suzerainty.[124]

This time, however, the British Government and its colonial administration, sensing danger coming from the people, departed from the objectives of the white settlers. In the 1923 Devonshire White paper (titled "Indians in Kenya: A memorandum") the British government asserted its responsibility for the protection and development of the people:

> Primarily, Kenya is an African territory, and His Majesty's Government think it necessary definitely to record their considered opinion that the interests of the African natives must be paramount, and that, if, and when, those interests and the interests of the immigrant races should conflict the former should prevail. Obviously, the interests of other communities, European, Indian, or Arab, must be severally safeguarded....But in the administration of Kenya, His Majesty's Government regard themselves as exercising a trust on behalf of the African population, and they are unable to delegate or share this trust, the object of which may be defined as the protection and advancement of the native races.[125]

The Africans took comfort in the Devonshire White paper, which established the paramountcy of their interests over all but the essential requirements of the minority European and Asian communities. On the other hand, Sir Robert Coryndon, governor in 1923, interpreted the Devonshire White paper differently. For him, the principle of "paramountcy" did not mean European interests would be sacrificed, but rather that the interests of the European and the Africans would be respected. He developed the idea of "dual policy" [126] in which the separate development of Africans and non-African communities was to take place.[127] The governor hoped that the dual policy would advance European interests to pursue their goal of self-government by simultaneoulsy allowing the Africans to pursue their own interests separately.

Whatever the interpretation, the aim of the Devonshire White paper was a desperate attempt to stabilize the political and economic relationships among the various races. Nevertheless, it failed to address the fundamental

problem, that is, the social, cultural, social and economic disruptions the colonial rule and European settlement had caused the people, especially the Kikuyus.

Unfortunately, for all parties involved, the solution had to wait until the Kenyan peaceful resistance and protest against colonialism culminated into a violent Mau Mau uprising in 1953.[128] The antecedents of the uprising go back to the 1920s and the 1930s when the various ethnic groups, especially the Kikuyus, began organizing themselves in the form of the Kikuyu Central Association, the Kikuyu Provincial Association, the Kavirondo Taxpayers' Welfare Association, the Teita Hills Association and the Ukamba Members' Association, in order to address some of their local needs.[129]

In the 1930s there also emerged a division of the Kikuyu society into three categories:[130]

(1) Kikuyus with large or above average land holdings and who no longer needed to work on the European farm land;

(2) Kikuyus with medium and below average land holdings who continued to alternate between working on their farms and working on the European farms as migrant labor; and

(3) Kikuyus whose land was insuffecent to support the traditional large family and who had to work on a permanent basis as migrant labor.

The effect of these shifts created in most parts of Kikuyu land the destruction of the lineage or mbari structure of the traditional joint land holdings. The

buying and selling of land began to be accepted, resulting in severe disparity in its distribution. For the most part, chiefs, tribal elders, teachers in mission schools, and government employees benefited at the expense of the poor and tenants.[131]

This is hardly a surprise given the severe economic and political inequalities that existed. Consider the following. First, prime land was under the exclusive control of the European settlers, while great disparities existed between the number of Kenyans with land and the amount of land available. The Native Trust Ordinance of 1938 legally prohibited the Kenyans from owning land.[132] Second, educational outlays were markedly biased toward the settler's needs. Third, employment was discriminatory in both wage scales and hiring.

The Kenyan settlers made substantial economic and political advances during the last years of World War II when Britain's African colonies were called upon to maximize production following the Japanese conquest of South East Asia. The British were concerned in 1942 at the specter of South African hegemony in East Africa, especially in Kenya.[133] As a result, towards the end of the war the Colonial Office decided to reconsider its pre-war policies and determined to reassert metropolitan authority in Kenya. Consequently, it decided to instill new life into the Duke of Devonshire's defunct 1923 declaration of African paramountcy.[134]

According to the revised plan the settlers were to be bought out and the Kikuyus, who were becoming increasingly restless, were to be allowed to settle on collective farms on the White Highlands. This decision went too far for the Colonial Office, which did not want to abandon the white settlers.[135] On the other hand, the Africans felt that it was too little and too late. It did not go far enough for them. What they wanted most was the opportunity to become involved in the political decision making process itself. But the political reform by the colonial administration was far from a fair representation or a shift in the balance of political power which the Kenyans wanted all along.[136]

Meanwhile, especially since post World War II, the British policy attempted to legitimize their right to rule through rapid industrialization, while the Kenyans (especially the Kikuyus) increased their political activity with increasing degrees of sophistication and organization.[137]

In 1944, the Kenyan African Union (KAU), whose membership crossed ethnic lines, was founded. It was formed out of the Kenyan African Study Union, which had been created to advise and assist Elliud Mathu, the first nominated Kenyan member of the Legislative Council.[138] The KAU gained the support of many members of the now defunct KCA when their fellow Kikuyu, Jomo Kenyatta, who later became the president of independent Kenya, assumed the leadership in 1947. Its efforts to become a nationally-

based party were continually and effectively stifled by the administrative restrictions on meetings and on the movements of its leaders.[139] It continued to espouse the demands previously made by the KCA, until it too was banned in June 1953, after the declaration of the Mau Mau emergency.[140]

The underlying causes for the Mau Mau movement must be assessed. African leaders through the KAU continued to press for political and economic reform aimed at ending discrimination in land and labor. At the outset they attempted to use constitutional channels but with their efforts continually frustrated, their various organizations adopted more militant tactics and overtly nationalistic aims, such as an African franchise and equal rights.[141]

As the pressure on the land grew due to an increase in the size of the population. The traditional rules of land tenure and practices of shifting cultivation were more difficult to maintain.[142] More members of the Kikuyu became tenants (ahoi) and their tenancy became more unstable as private ownership of land took deeper root.

Every Kikuyu's already shaken security on the land appeared to be threatened by the perception that Europeans might still take more land from them. The overcultivation of the land coupled with the growing population further reduced the ability of the land to be productive enough to feed the growing Kenyan population.[143] This was particularly true of the Kikuyuland since the Kikuyu were the most

affected by this and land was very scarce in their reserves.[144]

The colonial administration was reluctant to interfere with the Kenyans' land tenure patterns for fear that anti-colonial feeling might be increased and tenure insecurity magnified rather than eased. The outburst of Mau Mau in 1952 was largely the result of this delay. Although, as suggested by Rosberg and Nottingham, it was also the result of the bitter divisions among the Kikuyu themselves.[145] Some of these divisions included the gap between the rich and the poor; the Christian missions versus the adherents of the independent churches; the old against the young; the chiefs versus the established traders; and the aspiring commercial farmers (and traders) who supported Kenyatta and the Kenya African Union versus the mass of Kikuyu, who were being squeezed in the fight for land and commercial control by the various rival ethnic elites.[146] Possession of land was one of the principal bases for drawing distinctions among the Kikuyus.[147] The desire for land, which had once been theirs, was one of the principal causes of the Mau Mau uprising.

Mau Mau was an armed struggle waged by the Kikuyu peasantry against the British colonial forces from 1952-1956. It can be described, firstly, as those (mainly Kikuyu peasants) who took to the forests to wage an armed struggle against both the colonial forces and their Kikuyu supporters and, secondly, those known to the government as the 'passive wing' who, from the reserves and Nairobi, supplied food,

arms, shelter, and recruits to the forest fighters. All would have sworn the Mau Mau oath of unity (the oathing ceremony began to take place in 1948). Such ceremony had played an extremely important role for the Kikuyu leaders when they needed a guarantee of Kikkukyu loyalty to their political or military objectives.

The Mau Mau Association was so secretive that no one for sure knew the identity of the leadership. It is important to note that Kenyatta did not manage Mau Mau. While he had assisted in the gradual spread of the KCA oaths immediately after his return from England, he would appear to have been ideologically opposed to the use of violence, and by 1952 he had very little to do with Mau Mau.[148]

After the Mau Mau emergency in 1952, in a belated attempt to defuse political tension over the land issue, the colonial administration finally introduced a sequence of economic reforms that ultimately led to independence. In 1954, R. J. M. Swynnerton, the Assistant Director of Agriculture in colonial Kenya, introduced a plan for the development of African cash-cropping; which included the introduction of competition among African producers and land reform.[149] The land reform was started by the colonial authorities in Kikuyu province, and continued after independence in other parts of the country. Under it, traditional claims to land were replaced with individual freehold title, so that it was made possible for Africans to obtain credit for farm development.

As noted earlier, however, political frustration among the Kenyans was paramount because the Mau Mau peasant uprising brought about a declaration of a state of emergency and a ban on all African political party activities.

The concessions by the colonial administration did not include political independence, which the Kenyans demanded more than anything else. Instead, the concessions sought a means to reward those Africans who had supported them in putting down the Mau Mau uprising.[150] The British also wanted to encourage the growth of a productive rural middle class which would be immune to the cries of militant nationalists and perhaps even challenge their leadership in the rural areas.[151]

The Swynnerton plan was clear on the political question of Kenya. One section read, "the greatest gain from the participation of the African community in running its own agricultural industries will be a politically content and stable community."[152] Coming at a time when national political activities were suspended because of Mau Mau, and the African prominent leaders were in jail (Jomo Kenyatta, for example), the Swynnerton plan offered rural Africans an economic outlet for their political energies, and it envisaged a conservative--rather than nationalist--African political response. Indeed, the plan failed to generate the expected economic transformation and it made the situation even worse.[153]

But it soon became apparent to the British that the Africans were not going to settle for less than a fundamental change in the colonial structure. Realizing this, in March 1954, the British decided to send Oliver Lyttelton, the secretary of state for the colonies, to Kenya in order to press forward with multi-racial constitutional reforms.[154]

The new Constitution, known as the Lyttleton constitution of 1954, adopted by the British dominated government of Kenya, left much to be desired, though it marked the first major break with traditional Kenyan politics. For the first time, it granted Africans limited rights of political expression and a direct voice in government via a multiracially organized governmental structure.[155]

Prior to this period, Asians and Africans had representatives (Asian elected and African nominated) on the non-governmental side of the legislature.[156] But the government front benches occupied by members responsible for various portfolios contained only European civil servants and Europeans nominated from the local white community.[157] Such was the nature of the so-called 'Member-system,' by which persons responsible for portfolios were known as Members for specific departments--Agriculture and Natural Resources, Education, and so forth. Under the Lyttleton Constitution, though it represented a shift in outlook from the earlier

African representation, it left the more fundamental issue of land rights as a monopoly of the Europeans.[158]

The Lyttleton Constitution introduced the Ministerial System. It provided for a fourteen-member Council of Ministers, of whom eight were to be ex officio and six appointed by the Governor (unofficial ministers). Of the fourteen members, only one was to be a Moslem Indian, one a non-Moslem Indian and one an African.[159] At this stage no increase in African representation in the Legislative Council was made. The election had to wait until early 1957.

The first African elections were held in 1957, when eight Africans were elected to the Legislative Council in eight constituencies.[160] The British now thought that they had achieved parity in political representation for the Africans and satisfied what the Kenyans had wanted all along. But, the successful African candidates immediately declared the Lyttelton Constitution null and void, over British objections to their statement. Thereupon, the Councilors campaigned so vigorously against the Constitution that, within a period of seven months, they precipitated a situation which ended in the imposition of the Lyttelton 'reforms'.[161]

After the demise of the Lyttelton reform, a new secretary of state, A. Lennox-Boyd, introduced a new Constitution. The new Constitution gave Africans additional representatives, though still short of the majority. The

Legislative Council consisted of a Speaker, six ex officio members, 37 nominated members, 36 elected members (14 Africans, 14 Europeans, 6 Asians, 2 Arabs), and 12 specially elected members (4 Africans, 4 Europeans, 4 Asians) chosen by the Legislative Council acting as an electoral college. The Council of Ministers had 16 members, including 2 Africans. Thus the old 'parity,' safeguarding European settlers' dominance in the Legislative Council but not in the Council of Ministers, had been broken.[162]

Once again Kenyan elected members in the Legislative Council had made it clear that they intended to break the Lennox-Boyd Constitution, and would not ease their efforts until they dominated the legislature. They requested twelve more African seats in the legislature, without corresponding increases for the other racial groups. In addition, they wanted no less than fifty percent of the ministries in the Council of Ministers to go to Africans.[163]

Finally, in 1960 Britain agreed to a round table conference (known as the Lancaster House Conference) with African leaders to decide on the political future of Kenya. Following that conference, Britain conceded to Africans full representation and granted universal suffrage. The Legislative Council was increased to 65 members with an effective African majority (the council consisted of 33 openly elected seats, 10 seats reserved for Europeans and 10 reserved for Asians; the 12 especially elected members were maintained).[164] The 12-man Council of Ministers comprised 4

officials, 4 Africans, 3 Europeans and one Asian. In addition, there were 9 parliamentary secretaries. The Kenyan African Union (KAU) was also renamed the Kenyan African National Union (KANU) and the new party became victorious in the May 1961 elections. Jomo Kenyatta, the man who led the Mau Mau uprising, was finally released from jail in 1961 and became head of the new party.[165] The opposition became the Kenyan African Democratic Union (KADU), the party of the minority ethnic groups, led by Mr. Ronald Ngala.

A second constitutional conference at Lancaster House in 1962 agreed on the creation of a strong central government with federal provisions for regional governments. After an election in 1963 a responsible government under a majority-party prime minister was formed. The constitution provided for a two-chamber legislature, consisting of a senate and a house of representatives with a total of 129 members, of whom 117 were elected and 12 appointed (of these only 3 were reserved for Europeans).[166]

Early in 1963 KADU proposed a new federal constitution, but it was rejected in favor of a parliamentary system. By December 1963 the country received its independence with a Westminister-style constitution and under the leadership of Jomo Kenyatta as Prime Minister and then President. In 1964, KANU absorbed KADU, and Kenya became a one-party parliamentary state.[167] In 1966, the Kenyan National Legislature of the upper house (having 41 elected members)

merged with the House of Representatives (117 members), thus creating a unicameral body of 158 elected members, bringing the total membership to 170 (158 plus 12 appointed) where it remains today.[168] In the same year Kenya People's Union (K.P.U.), the only opposition party, was also banned.

With this assurance of Kenyan political dominance, the Africans were guaranteed full integration in national affairs. As Hopkins observed, "at the time of independence in December 1963, only the Europeans' economic position had yet to be challenged."[169] With its juridical independence at hand, Kenya, like Tanzania, began charting its course for an "autonomous" and yet uncertain, future development.

Conclusion

Political independence did not generate much change in both countries. The formal colonial system was replaced by an informal neo-colonial system, but the outcome was the same, a neoclassical development path and Western aid to finance it.

Both countries' development in the early post-independnce years was biased towards infrastructure and capital intensive projects for which Western funds were vital. The inherited pattern of development was not conducive to attaining a sustained development responsive to the needs of the people.

The autonomy and cohesion of traditional ethnic groups was challenged as administrators, health workers, teachers,

settlers and private capitalists gradually penetrated even the rural village level. In addition, an extensive rural periphery including native reserves provided a source of inexpensive labor.

But while the penetration of an alien polity, society and economic system in both countries created on one level a degree of uniformity, traditional society was not destroyed and indeed played an active role in the changes which took place. Undoubtedly, traditional structures were greatly altered through interaction with external forces, but the form, direction and speed with which changes took place were all products of the interplay between colonial and indigenous value systems.

Thus, in the administrative sphere the European origin of the new institutions coupled with the character of the indigenous structures influenced the form and functioning of the local government units and the degree of respect for traditional political boundaries and authority. In the economic sphere this same interaction influenced an opportunity of access for foreign and indigenous communities to material and non-material resources.

By implication, it also influenced the degree of external control exercised over land and labor in rural areas, and the character of the urban system which expanded to serve the needs of economies oriented to export. Thus it was the interaction between the African and European political and economic structures which moulded the emerging

social and economic inequalities within and between rural and urban areas in both countries. The cause and nature of these colonial experiences must be borne in mind as we turn now to consider the development policies of Tanzania and Kenya in three major sectors of their respective societies: the state, industry, and agriculture.

Chapter 4

Endnotes

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[107]E. A. Brett, Colonialism and Underdevelopment in East Africa: The Politics of Economic Change, 1919-1939 (London and Nairobi: Heinemann, 1973), pp. 165-216.

[108]Huxley, White Man's Country, Vol. I, p. 108.

[109]Huxley, White Man's Country: Lord Delamere and the Making of Kenya, p. 81.

[110]Brett, Colonialism and Underdevelopment in East Africa: The Politics of Economic Change, 1919-1939, pp. 186-216.

[111]Jacob Oser, Promoting Economic Development (Nairobi, East African Publishing House, 1967), p. 152.

[112]M. P. K. Sorrenson, Land Reform in the Kikuyu Country (Nairobi: Oxford University Press, 1967), p. 42; and Brett, Colonialism and Underdevelopment in East Africa: The Politics of Economic Change, 1919-39, p. 208.

[113]Oser, Promoting Economic Development, p. 152.

[114]A. J. Hughes, East Africa: Kenya, Tanzanya, Uganda (Baltimore: Penguin Books, 1969), p. 100.

[115]Brett, Colonialism and Underdevelopment in East Africa: The Politics of Economic Change, 1919-1939, pp. 186-216.

[116] David Maughan-Brown, Land Freedom and Fiction: History and Ideology in Kenya, (London: Zed Books, 1985), p. 30.

[117] Robert W. July, A History of the African People (New York: Charles Scribner's Sons, 1970), pp. 416-18.

[118] Hopkins, "Racial Minorities in British East Africa," p. 107.

[119] One key element in this campaign was what came to be known as the "White Highlands"--the racially exclusive European farming area encircling the Rift Valley--which tended to create buffers between rural African communities and, in particular, to block the westward expansion of Kikuyu into the lightly populated pastoral Masai country.

[120] July, A History of the African People, pp. 410-18. Kenyatta became the general secretary of the Association in 1928, but soon left for London to represent the Association, thus surviving the early leadership rivalry among the KCA officials.

[121] David Maughan-Brown, Land Freedom and Fiction: History and Ideology in Kenya, p. 31.

[122] July, A History of the African People, pp. 418-20.

[123] Ibid.

[124] E. S. Clayton, Agrarian Development in Peasant Economies (New York, 1964), passim.

[125] "Great Britain, Indians in Kenya: A Memorandum," British Sessional Papers, 1923, 18, No. 4, CMD 1922, (London: H.M.S.O., 1923), p. 9.

[126] George Bennett, Kenya: A Political History (London: Oxford University Press, 1963), p. 54.

[127] Marjorie R. Dilley, British Policy in Kenya Colony (New York: Nelson, 1937), p. 181.

[128] Carl Rosberg and John Nottingham have found Mau Mau to be essentially a civil war between those Kikuyu who did and those who did not benefit from colonial rule. Possession of land was one of the principal bases for drawing the distinction. See, C. G. Roseberg and J. Nottingham, The Myth of Mau Mau: Nationalism in Kenya (Stanford and New York: Meridian Books, 1966).

[129] July, A History of the African People, pp. 414-20.

[130]Colin Leys, Underdevelopment in Kenya: The Political Economy of Neo-Colonialism (Berkeley and Los Angeles: University of California Press, 1975), pp. 40-62.

[131]Sorenson, Land Reform, pp. 39-41; the traditional landholding system is described in Jomkenyata, Facing Mount Kenyas, (London: Secker and Warburg, 1938), pp. 21-41.

[132]Ahmend Mohudin, African Socialism in Two Countries (London: Croom Helm, 1980), p. 27.

[133]Boateng, A Political Geography of Africa, pp. 210-13.

[134]G. Bennett, Settlers and Policies in Kenya, up to 1945 (London: Oxford University Press, 1961), pp. 265-332.

[135]David Throup, Economic and Social Origins of Mau Mau, 1945-1953 (Athens, OH: Ohio University Press, 1987), p. 25.

[136]Hopkins, "Racial Minorities in British East Africa," p. 111.

[137]July, A History of the African People, pp. 414-20.

[138]Leys, Underdevelopment in Kenya: The Political Economy of Neo-Colonialism, pp. 43-62.

[139]Ibid. The KCA had been banned as a subversive organization in 1940.

[140]Maughan-Brown, quoted in Land Freedom and Fiction: History and Ideology in Kenya, p. 31.

[141]See, Rebmann M. Wambaa, with assistance from K. King, "The Political Economy of the Rift Valley: A Squatter Perspective," (paper presented to the Annual Conference of the Historical Association of Kenya, August 1972; mimeographed).

[142]E. Huxley, and M. Perham, Race and Politics in Kenya (London, 1955), passim.

[143]Ibid.

[144]Ibid.

[145]C. G. Rosberg and J. Nottingham, The Myth of Mau Mau: Nationalism in Kenya (Stanford and New York, 1966).

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150For detailed study see M. P. K. Sorrenson, Land Reform in the Kikuyu Country (Nairobi, 1967).

151Ibid.

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153Tabitha Kanogo, Squatters and the Roots of Mau Mau 1905-1953 (London, Nairobi and Athens: Ohio University Press, 1987), pp. 164-65.

154Sorrenson, Land Reform in the Kikuyu Country, p. 109; see also, Mohudin, African Socialism in Two Countries, passim.

155Ibid.; see also, Kenneth Ingham, A History of East Africa (rev. ed.; New York: Praeger, 1965), p.411.

156Ibid.

157Sorrenson, Land Reform in the Kikuyu Country, p. 109.

158Kanogo, Squatters and the Roots of Mau Mau 1905-1953, pp. 164-65.

159Sorrenson, Land Reform in the Kikuyu Country, p. 109.

160Susan Wood, Kenya: The Tension of Progress (London: Oxford University Press, 1962), p. 38.

161Ibid.

[162] G. Bennet and C.Roseberg, The Kenyatta Election, Kenya, 1960-61 (London: Oxford University Press, 1961), chs. 1-3.

[163] Kanogo, Squatters and the Roots of Mau Mau 1905-1953, pp. 164-65.

[164] Ibid.

[165] Ibid.

[166] Joel D. Barkan, "The Electoral Process and Peasant-State Relations in Kenya," in Elections in Independent Africa, ed. by Fred M. Hayard (Boulder and London: Westview Press, 1987), ch. 8.

[167] Ibid.

[168] Ibid.

[169] Hopkins, "Racial Minorities in British East Africa," p. 104.

CHAPTER 5

THE STRUGGLE FOR DEVELOPMENT: GROPING IN THE DARK

Introduction

Thus far, we have made no specific reference to Tanzanian and Kenyan development struggles and how the various development paradigms discussed in chapter three influence the development path and explain the struggles adequately. This chapter attempts to fill some of this void. In these years (1961-67), the social, economic and political conditions of Tanzania* and Kenya remained the same as during colonial times. Influenced by one dominant paradigm (the neoclassical and structuralists, or modernizers), the structures of the economy in terms of ownership and relations of production remained heavily Western oriented. Significant reliance upon Western development assistance, personnel and technology persisted.

However, for Tanzania, the seeds were sown for a dramatic policy reorientation; while Kenya continued its development along the same neoclassical path. The main policy themes of the Arusha Declaration (detailed below), in

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*When the name Tanzania is used it refers to the country after independence; when "Tanganyika" is used it refers to the country prior to independence.

the case of Tanzania, can be traced back to the leadership's experiences during these years.

This chapter opens with a brief synopsis of Tanzania's and Kenya's colonial legacy and postindependence development struggles. We approach these problems by summarizing Tanzanian and Kenyan development policies from the post-independence period onwards and citing their successes and failures. Specifically, we will examine: (i) the role of the state, (ii) its policies in industry, and (iii) its policies in agriculture. Our intent is to provide the descriptive background on the patterns of development on which the later analytical assessment is based.

Tanzania and Kenya

As soon as Tanzania, Kenya (and Uganda) gained their independence in December 1961, October 1962, and December 1963 respectively, their leaders pledged to one another to form a political federation of East Africa to engage in nation building. "We believe," they declared, "that the day of decision has come and to all our people we say there is no room for slogans and words. This is our day of Action."[1] Indeed at the time many observers thought a federation of the East African state would be the easiest of all "African federations to organize."[2] Given the common colonial experience, common language and common market (a product of British colonialism), the optimism of many observers was not an unrealistic one at the time.

But beneath the veneer of similarity, there existed deep rooted differences in the colonial history, political organization, the size of the country, ethnic composition, personality of leaders, and ideology of elites. A confluence of events made these differences surface in January 28, 1964 when Nyerere of Tanzania announced his determination to form a one-party rather than a pluralistic state. As a consequence, the East African Union had to be permanently shelved.[3] From then on each state began following its own patterns of development and brand of nation-building.

Tanzania and Kenya became especially concerned with the problem of remedying the legacy of colonialism. As we know from their respective histories, they inherited institutions and conditions tending towards the intensification and perpetuation of existing economic inequalities, while at the same time their achievement of independence raised popular expectations for increased welfare. Both countries had to face a difficult problem of fashioning development policies for raising the "standard of living" while at the same time meeting the growing popular demands for equality.[4]

Given the low level of development of both countries, the desired level would have been difficult to achieve, at least in the short-run, even if the leadership were willing. Nevertheless, both states, ever since their independence, had been struggling to remedy the inherited institutional inequality by various strategic means (mainly by emulating

the western development path) in the hope of achieving rapid development.

Kenya's strategy, despite Kenyatta's early socialist rhetoric, from the start had been to follow the "neo-classical" mode of development - a development path laid out by the British colonial state.[5] Britain's decision to spur agricultural products by settling Europeans dislocated many of the African people, necessitated infrastructure construction, stimulated a large scale agricultural production, and led to the beginning of manufacturing and processing as well as to the development of commercial enterprises, and technical, financial and governmental services. Any resistance, such as the Mau Mau uprising, an uprising by native Kenyans (especially by the Kikuyus) to regain their expropriated land, was smashed. As a result, the landless still had no land, forcing them to become laborers--one of the necessary conditions for capitalist development.

Even after Kenya's independence the outgoing British loaned the new African ruling class millions of dollars in order to buy out the British settlers and smooth the way for the development of indigenous capital.[6] The aim was to transfer land from European ownership to the Africans and to privatize the African occupied lands by means of legal registration of the land for individual ownership. The assumption was that private ownership would increase the productivity of the African farmers. As expected, in the

first decade of independence, Kenya achieved a remarkably high rate of economic growth.[7]

The corollary of this is that the settlers promoted an economy, in the early 1960s, where "80 percent of the value of marketed produce of agriculture came from the European-owned farms and estates, 55 percent of the total wages paid went to non-Africans (who constituted only 10 percent of the labour force), and virtually all profits from manufacturing and trade were received by non-African companies and individuals."[8]

For example, from 1964 to 1972 Kenyan gross domestic product grew at an average of 6.5 percent per year. Marketed agricultural output grew at a recorded rate of 6.7 percent, and agricultural subsistence output at an estimated 3.7 percent, giving a 5 percent per year growth rate. Growth of marketed production was particularly rapid in the smallholding sector as peasant farmers responded to the removal of colonial bottlenecks on cash-cropping.[9]

This action gave the ruling class the proper excuse to create a land market and sell most of the land rather than redistribute it to the original owners of the land--the native Kenyans (particularly, the Kikuyu ethnic groups who were victims of massive land expropriation). Once the government received the money it paid the settlers in cash at an inflated price, as the British expected and proceeded to resell the land to the same settlers rather than re-distribute it to the rightful owners. As can be expected,

the hope of the Kenyan masses, who were supposed to benefit from this deal, were soon dashed.[10] The result was that of the total land transfers following independence, Europeans acquired 54 percent of the land areas, Africans 39 percent, and Asians 7 percent.[11] Among the Africans, the main beneficiaries of this transaction were mainly the new political elites and some traditional chiefs. These groups not only bought and ran large one-time settler farms, but also collaborated with foreign capital and became the backbone of the nascent capitalist enterprises.[12]

Thus, Kenya began its long road to its brand of capitalism and, like other NICs, became heavily reliant on a limited range of commodity exports. Even as recently as 1979 such exports represented 26.6 percent of Kenya's GDP (Gross Domestic Product). The percentage share of the three major exports (coffee, tea and sisal) increased from 34.2 to 52.2 between 1961 and 1976-8.[13] The government also actively sought foreign investments by making significant concessions to investors. The Development Corporation, a parastatal agency of the Kenyan government, has served to facilitate joint ventures and ensure an ever expanding role in Kenya's economy for local entrepreneurs.[14]

Undoubtedly, such a favorable environment for foreign investment helped accelerate the growth of the economy. For instance, the annual average growth rate of per capita income between 1960-79 was 2.7 percent, and of GDP was 6.0 percent in the 1960s and 6.5 percent in the 1970s, well

above the average for middle-income oil importers (3.4 and 4.6 percent in each period).[15] If there was little change in the sectoral distribution of the domestic product from 1960 to 1979 (agriculture down from 38 to 34 percent, industry up from 18 to 21 percent), the quantity index of manufacturing production increased from 100 in 1963 to 345 in 1977. In 1980, 141,280 were employed in manufacturing and about 13 percent of merchandise exports were in manufacturing. This total might have been much larger had it not been for the breakup of the East African Common Market.[16]

Increasingly, Kenya embarked on an import substitution industrialization. Thus, the ratio of imports to GDP (at constant prices) declined from 42.6 percent in 1964 to 28.1 percent in 1976 and, as a proportion of the total supply of manufactures, imported goods declined from 42.6 percent in 1964 to 30.8 percent in 1975.[17] Imports of consumer goods as a percentage of total imports dropped from 33 to 24.4 percent from 1964 to 1975.[18] By neoclassical development standards, these were comparatively impressive achievements.

In Tanzania, German and British colonialism resulted in the dislocation of peasant farmers and the transformation of subsistence farming into large plantations where African labor was often forcibly used.[19] Colonial policy, therefore, was geared to the extraction of resources for the use of the Metropoles.[20] In Tanzania, however, Germany did not encourage Europeans to settle, even though some did--the

small capitalists or petty bourgeoisie--who had little political influence compared to the Kenyan settlers.[21]

Because of the few German settlers, they had to depend on cheap African labor to produce cash crops such as coffee, cotton and sisal.[22] To assure themselves of an uninterrupted labor supply or cash crops they needed, they instituted a hut tax, which had to be paid off in cash. To this end, many Africans were forced to either take jobs on German plantations or to produce cash crops themselves in order to earn cash so as to pay their hut tax.[23]

This colonial agricultural policy destroyed, as Hyden observed, the principle of "Ujamaa"--a traditional system where one member must assist another member of the same clan or tribe in time of need such as harvesting, ploughing or when tragedy struck one or the other clan or tribe member--and replaced it by private production.[24] Private production was even more encouraged after the British took over the responsibility of the country.

Thus, like Kenya, Tanzania's early independence economic policy was virtually a continuation of colonial policies. The first Three Years Development Plan (1961-64), which was largely drawn up by the outgoing colonial government at the recommendation of the World Bank, was designed to promote such development.[25] The plan emphasized the development of the agricultural sector, especially cash crops production through what was known as the improvement and transformation approaches.[26] Under this plan large

areas were cleared by the government and farmers were encouraged to grow an exportable cash crop such as ground nuts. The plan also created all sorts of favorable conditions such as tax holidays, tariff protection, and exports of profits in order to attract foreign investment and capital in the agricultural sector.[27] The World Bank, therefore, laid the foundations for the country's initial program for economic development.[28] Its recommendation in the first three-year plan (1961-1964) reinforced the economic priorities the country inherited from the colonial state, encouraged the development of a cash crop economy, and the continuation of private ownership and production.[29]

During the first five years of independence (1961-1966), Nyerere became concerned by the overall slow growth of the rural sector. For this reason, he veered away from the earlier World Bank sponsored plan; instead he hired a group of economists from France to draw up a new one. Following French indicative planning, the government accepted the first five-year (1964-1969) development plan.[30] The country's industries were to emphasize import substitution, by processing of raw materials as well as export promotion with the cooperation of the private and public sectors in order to hasten the process of industrialization.[31] Even though Tanzania attempted to accelerate its industrial growth by making itself attractive to foreign investors, its efforts failed to materialize.[32] The primary reason for this is Britain's interest in making Kenya the

industrial center of the East African Common Market ever since 1927.[33] The British effort placed Kenya at an advantageous position vis-a-vis Tanzania. As a result, Tanzania continued to experience increased capital outflow and a declining trend in private investment as evidenced by the following. In 1961 Tanzania's private investment capital was +15.4 million shillings, in 1962 +14 million shillings, in 1963 -56.6 million shillings, in 1964 -336.4 million shillings, and in 1965 -89 million shillings.[34] In addition, from 1963 on the price of Tanzania's main export commodities (sisal), which accounted for its 35.7 percent of total value of exports dropped drastically.[35]

Increasingly Tanzania became dependent on foreign finance even for its development budget. For example, 52 per cent of the development budget of the First Development Plan (1964-69), 44 percent of the Second Plan (1969-1974), and 49 percent of the Third Five Year Plan (1976-1981) were all externally financed.[36] Yet, even this was threatened when Tanzania's non-aligned foreign policy rhetoric on the questions of East Germany, Rhodesia (now Zimbabwe) and Vietnam threatened to offend West Germany, Britain and the United States, its main donors.

For example, in 1964 when Tanzania joined with Zanzibar it had a West German embassy while its newly acquired territory hosted the East German Embassy. West Germany put pressure on the Tanzanian government to either close the East German embassy, confine its representation in Zanzibar

to the level of a consulate, reduce it to a trade mission, or risk the loss of aid. When Tanzania failed to comply, West Germany threatened to withdraw its military assistance, which included 70 million shillings worth of military aid, 50 military advisors and technical personnel, 6 coast guard boats and 36 military aircraft. It cut off its economic assistance worth about 178 million shillings altogether.[37]

In the same year, Nyerere ordered the United States to remove a satellite tracking station from his country. A year later he expelled American diplomats in protest over U.S. actions in Vietnam. In 1976 Nyerere's UN position on Zionism and racism prompted the U.S. to suspend $29 million in aid to Tanzania.[38]

In another development, when Rhodesia declared its "unilateral independence" for its minority whites, the Organization of African Unity (OAU) demanded that Britain, being the colonial power, put down the rebellion led by Ian Smith. Otherwise, the OAU member countries threatened to sever diplomatic relations with Britain. When Britain failed to meet the OAU's demand, Tanzania, in compliance with the OAU's resolutions, severed its diplomatic relations with Britain. Britain then retaliated by freezing its aid and $21 million loan. Britain had been the biggest aid donor to Tanzania accounting for more than 44.5 percent of total aid in 1965.[39] After Britain's decision, this essential aid had dropped to 4 and 2 percent of total foreign aid in 1966 and 1967 respectively, drying up much

needed Tanzania's foreign exchange earnings. Nyerere's failure to attract the necessary capital from foreign donors without compromising his political principles troubled him greatly.

Even more troubling for him was the ever-widening gap between urban and rural incomes and the tendency of party and government officials to benefit economically from their leadership positions. He, therefore, saw the need to formulate a different development strategy (later known as African Socialism) which he incorporated in his Arusha Declaration of February, 1967, and in two companion volumes which he authored, entitled Socialism and Rural Development and Education for Self-Reliance.

This declaration required, inter alia, hard work from all capable citizens, the nationalization of the means of production, collectivization of farms, villagization of the rural community, and the mobilization of all Tanzanian resources, primarily, for rapid agricultural development. In his writings, he clearly outlined his objective which was "to build a society in which all members have equal rights with equal opportunities; in which all can live in peace with their neighbours without suffering or imposing injustice; and in which all have a gradually increasing level of material welfare before any individual lives in luxury."[40] Thus, Nyerere's development strategy was characterized by "Ujamaa," a Swahili word usually translated as "familyhood"--a concept embodying values such as solidarity

and cooperation.[41] The three means of achieving these societal goals, which have become the pillars of development strategy, are socialism, rural development, and self-reliance.

Nyerere's conception of socialism came from the particular historical experience of Africa and not from the abstractions of Europe. The orthodox Marxist belief that there must be class conflict in society and that capitalism must precede socialism is rejected by Nyerere. His utopian Ujamaa (village socialist) social philosophy, in which he directly counterposes orthodox Marxism, states:

> The foundation, and the objective, of African socialism is the extended family. The true African socialist does not look on one class of men as his brethren and another as his natural enemies. He rather regards all men as his brothers--as members of his ever-expanding family. Ujamaa, then, or 'familyhood,' describes our socialism. It is opposed to capitalism, which seeks to build a happy society on the basis of the exploitation of man by man. And it is equally opposed to doctrinaire socialism, which seeks to build its happy society on the philosophy of inevitable conflict between man and man.[42]

With this philosophy, Nyerere embarked on a set of policies that attempted a development strategy without undue reliance on external resources, and a desire to create institutions based on an African model of a communitarian village society. By the late 1970s even rural society had been "villagized" by an unprecedented movement of peasants to state controlled and Ujamaa (socialist) villages.[43] The new policy, socialism and self-reliance, therefore, in part,

originated from frustrations caused by a lack of foreign investment capital.

Additionally, Nyerere established a leadership code that a cut-off income point beyond which party and government officials were not allowed to have other sources of income. It gave them one year to divest themselves of their urban-related economic activities or resign their leadership posts, on the premise that an economically elite leadership is a contradiction in a society which advocates egalitarianism. Though alleged violations of the code existed, it made the country's leaders and citizenry more aware of the problem of income differentials.[44]

But Tanzania, which had been relatively self-sufficient in food at independence, made little investment in agriculture. Investment in research, modern machinery and irrigation was not seen as vital, and it was not until October 1982 that the party realized its neglect of the agricultural sector and allocated to it 24 percent of the national budget.[45] Tanzania's attempt at self-reliance in agriculture has not been entirely successful, however. Indeed, during the early and late 1970's (see Table 1) (even 1980's) it depended more on foreign assistance than a decade earlier. Some of this dependence, as one might expect from a LIC, has been due to economic forces beyond the country's control: i.e., inflation, higher energy costs, drought, conflict in Southern Africa, and military intervention in Uganda.

TABLE 1

FINANCIAL GRANT FLOWS TO KENYA AND TANZANIA
(In Millions U.S. Dollars)

Country	1971	1972	1973	1974	1975	1976
Tanzania	20.6	44.5	64.9	99.4	188.1	195.7
Kenya	37.9	85.7	53.9	72.9	89.4	109.8

Source: Organization for Economic Cooperation and Development. Geographical Distribution of Financial Flows, 1978.

An exception to this has been Tanzania's success in social fields. For instance, by the late 1970s some 70 percent of children were enrolled in primary schools, while 19 percent attended secondary schools.[46] The people's health also improved. As a consequence, life expectancy at birth rose from 42 in 1960 to 52 in 1979. In addition, water supplies were substantially improved.[47]

But most other indicators suggested very limited success before 1973 and a considerable decline thereafter, with 1967 (the year of the Arusha Declaration) as a visible watershed. According to the government there was a growth rate in the gross material product of 4.3 percent from 1965 to 1971 and 4.4 percent from 1971 to 1977. But the credibility of the second figure depended heavily on an alleged growth rate of 6.5 percent in subsistence agriculture, which was almost certainly guesswork and highly improbable, because the government imported vast amounts of food in the mid-1970s.[48] Andrew Coulson calculated that the index of

the standard of living of minimum wage-earners in Dar es Salaam (1966=100) rose from 99 in 1965 to a peak of 118 in 1974, then dropped to 53 in 1978. In rural areas the index dropped from 100 in 1966/7 to 65.6 in 1974/5, rising to 72.8 in 1978/9.[49]

In the agricultural sector, production of most major export crops, especially cotton and sisal, declined after 1966/7 (though slight increases in coffee, tobacco and tea were registered), resulting in heavy deficits in the balance of payments by the mid-1970s.[50] To offset these deficits, despite Tanzanian's commitment to "self-reliance," it had to rely heavily on foreign aid and investment in the 1970s.[51] Its net food exports between 1968 and 1971 also changed to imports of over 500,000 tons of maize between 1973 and 1975, primarily to avert possible starvation.[52]

The same was true in the industrial sector. Industrial growth which had been quite considerable from the mid-1950s until the early 1970s,[53] soon began to decline in spite of (perhaps because of) Tanzania's strong commitment to industrialize via import substitution. Given the state's lack of oil revenues to subsidize industry and its heavy reliance on imported raw materials and spare parts its failure to industrialize is hardly a surprise.

Surprisingly, however, the country's manufacturing capacity was underutilized. There was much spare manufacturing capacity: for instance, a survey of thirty-nine firms in 1974 showed that 38 percent of them were using less

than half their capacity while using 80 percent or more of their material inputs. Labor productivity in manufacturing declined by about 3 percent a year from 1969 to 1974. From 1968 to 1973 the ratio between new investment and output changed from 3:6 to 6:6.[54] There is no evidence that the industrialization process via import substitution had in any sense helped the industrial sector to take off.

Indeed, import substitution industrialization was an expensive nationalistic method of replacing imported consumer goods which would otherwise have come from Kenya for less cost.

The Role of the State

The state has played a central role in Kenya's and Tanzania's development. In Kenya a nascent upper bourgeoisie controlled profits as well as politics as early as the 1930s, while in Tanzania, teachers, traders, and clerks were the core of the independence movement, with the participation of "kulak" (rich) farmers.[55] The kulaks, however, never played a dominant role as a class in national politics.[56] In sharp contrast to Kenya, Tanzania was neither a favorite colony of Britain nor a settler colony and, therefore, did not benefit as much from Britain. This was reflected by its undeveloped infrastructure, and industrial and manufacturing sectors at independence in 1961.[57] Europeans in Tanzania expropriated less than 1 percent of the land. The natives were relatively free to grow what they wanted, though the official policy was to promote cash

crop production by expanding the number of middle-peasant household producers.[58]

Consequently, wage workers in Tanzania were few by comparison with Kenya, where the imposition of settler estate agriculture often necessitated separating the producers from their means of production, resulting in landlessness. Tanzania's kulaks did not face similar treatment. Because of British bias against Tanzania in favor of Kenya, Tanzania became from the earliest colonial times a dumping ground for Kenya's developing industrial and manufacturing products. As a result, opportunities to accumulate capital were more limited in Tanzania. Therefore, the nonproductive "petty bourgeoisie" predominated. To be sure, a small number of kulak farmers emerged in the fertile areas of Kilimanjaro and other parts of the country (e.g. Ismani [see map 4], and Lushoto [see map 5], alongside the European estates). But these farmers were not favored by the colonial state vis-a-vis the 'peasant cultivator' until the mid-1950s when the state attempted to encourage "the transition from native customary tenure into freehold in appropriate areas."[59]

By then, the independence movement was in full swing. The policy which acted to stabilize the kulak class was roundly attacked by Nyerere, who claimed:

> If we allowed land to be sold like a robe, within a short period there would only be a few Africans possessing land in Tanzania. We would be faced with a problem which has created antagonism among people and led to bloodshed in many countries of the world.[60]

In Kenya, the upper bourgeoisie came to power to strip capital of its racial fetters and proceeded to remove petit-bourgeois opponents who stood in their way. Tanzania's ruling "bureaucratic bourgeoisie," as Shivji called it,[61] lacked the material base to act like its Kenya counterpart and was not prepared to continue to support land policies that would develop capital and proletarianize a middle peasantry. Hence, while Kenya devised policies to support the further development of an upper bourgeoisie, its poorer sister chose "Narodism." ("Narodism" came from Russia's narodniks who believed that socialism could be based on the mir [village commune] and its communist peasantry to institutionalize a petit bourgeoisie and small capitalism.)[62]

The dominant role of the state in Tanzania was made unequivocally clear time and again by President Nyerere. In one of his statements on the 'principle of Socialism,' he noted, "[t]hat it is the responsibility of the state to intervene actively in the economic life of the nation so as to ensure the well-being of all citizens...."[63]

From 1967 on, the state's intervention appeared to show some positive results.[64] In the urban sector, after the Arusha Declaration in 1967, the state took over all commercial banks, insurance companies, grain mills, and the main import-export firms and acquired a controlling interest in the major MNC subsidiaries and the sisal industry. Subsequently the state undertook all importing and exporting

through the State Trading Corporation, and expropriated all buildings worth more than 100,000 sh. (excluding private residences). It also took over many small businesses, and replaced all co-operative unions by government corporations.[65]

Foreign enterprise continued to operate in manufacturing, but only in partnership with the state, as a minority holder of the equity. All cooperative unions were suppressed and in 1976 were replaced by a single national corporation, which was a branch of TANU, itself the ruling and, by then, the only legal political party.[66] Most aspects of the modern economy came to be controlled by parastatals (64 in 1967, 139 in 1974, and more thereafter), which acted both as holding companies and as business organizations.[67]

The state fixed minimum wages, provided all credit and set prices for traded agricultural produce. From 1964 on, five-year plans were used to allocate resources and control patterns of development. In the rural sector successive policies (outlined below) were adopted whose aim was to extend state control over the peasantry. Virtually all political power and economic control were vested in the hands of the president, TANU and the bureaucracy. In short, Tanzania ceased, at least in principle, to be an open economy or a liberal democracy. Instead, it started its long march towards African Socialism in a society, as Hyden

put it, where "the material base of the peasant mode was far too narrow for a rapid socialist transformation."[68]

Kenya, too adopted a state centered approach to development, though it did not follow it as dogmatically as Tanzania. As a proportion of GDP, the state's share increased from 11 to 20 percent from 1960 to 1979, while private consumption decreased from 72 to 65 percent.[69] Between 1964 and 1977 public employment rose from 32 to 42 percent of total wage employment. It is not known what proportion of manufacturing output was in the public sector after 1967, but at that date the few but large government establishments (only 2 percent of the total number) employed 20 per cent of manufacturing workers and were responsible for 15 percent of the gross product (value added).[70] The state invested heavily in both indigenous and foreign-owned enterprises through the Industrial and Commercial Development Corporation, the successor to the Industrial Development Corporation of 1950 and its various subsidiaries. In 1977 its assets were nearly K£31 millions, of which 45 percent was in loans and advance, 27 percent in equity and 24 percent in subsidies.[71]

The state also took a controlling position in agriculture. The Maize and Produce Board had a theoretical monopoly of buying and selling maize, though in fact, because of private consumption and illegal sales at higher prices, it handled only a small proportion of the total output. The Kenya Tea Development Authority, the Kenya Meat

Commission (with a monopoly of the urban, but not the rural, meat trade) and organizations for coffee and other cash crops, performed the same functions as marketing boards in other African states.[72] From the start, also, Kenya adopted national plans and adopted conventional protection by means of tariffs and licensing of imports in order to expand its productive capacity. In form, at least, Kenya adopted much the same state-centered approach to development as most other African countries. What distinguishes it from its neighbor Tanzania is the manner in which it used state power and the effects its policy had on the industrial and agricultural sector.

Industry

The state's policy towards industry and manufacturing in Kenya is one of encouragement of foreign direct investment. Large inflows of foreign investment and stable earnings from primary exports--including the boom in coffee prices in the mid-to late-70's--have helped finance import substitution. In 1967, for example, 57 percent of the gross product (value added) was foreign owned; in 1972 it was 59 percent.[73] Kenya did not go to the extreme to attract multinationals; there were no tax holidays and generous permitted rates of depreciation. Moreover, there was considerable pressure on multinationals to employ Kenyans in management and on their boards, and to sell shares in the equity to the state and private Kenyans. From 1971 on multinationals had to obtain permission to raise capital

locally, to issue shares and to develop new lines of production.[74]

On the other hand, the government tried to help multinationals by providing effective tariff protection on demand. Langdon's sample showed that more than 75 percent of all domestic manufacturing firms had protection and 79 percent of their requests had been successful; the larger the firm, the more probable its success would be.[75] The motives of multinationals were mixed, but their primary aim was to protect existing product markets created by exports against other multinationals and indigenous competition.[76] Langdon argues that, from the multinationals' point of view, the outcomes of government protection were to their satisfaction. Average after-tax profits and fees were about 23 percent of capital employed, dividends taking some 65 percent of profit, most of them repatriated.[77] However, this has created for the Kenyan government a heavy reliance on foreign investment for finance and has increased its balance of payments problems due to heavy outflows of surpluses.[78]

Yet, unlike Tanzanya where its rural-focused development has neglected the urban industrial sector,[79] Kenya's seems to have a linkage between its industrialization strategy and its other sectors of the economy. In 1971 domestic inputs to industry from non-manufacturing sectors amounted to 28 percent of the value of output, compared with 29.6 percent of imported inputs, of which 15.6

percent was from domestic agriculture. Conversely, 22.9 percent of manufactured output went to other domestic sectors: for example, 16 percent of the beverages and tobacco industries went to the Kenyan hotel and restaurant trade, and 27 percent of sawmill production into building and construction.[80]

In Tanzania, the pattern of post-independence industrialization falls into two periods. Before the 1950s there was almost no manufacturing, save some processing plants. After the 1950s, prior to independence, import-substitution industrialization began to develop because the government was now prepared to protect firms which requested it, provided they could put up a good case.[81] This policy was also begun because some foreign companies in Kenya opened subsidiaries in Tanzania as a hedge against a possible break-up of the East African Common Market. However, firms like Unilver decided against building a subsidiary firm at Dar es Salaam in 1964 on the ground that, without the Common Market, there would be an inadequate market for a small enterprise.[82]

Until the later 1960s this resulted in a typical pattern of import-substituting industrialization. Most manufacturing was carried out by foreign firms whose products were previously imported consumer goods. There was a rapid growth of enterprises and production.[83]

According to Rweyemamu, this expansion was primarily the result of high levels of protection on manufactured

consumer imports, coupled with zero duties and few restrictions on imported capital and other inputs.[84] These industries had many of the common features of import-substitution industrialization in LICs. There were few backward linkages into other sectors of the economy, except from those firms which processed coffee and sisal. Most of the firms used capital intensive methods for manufacturing products. Between 1958 and 1966 employment in manufacturing rose from 20,000 to 30,000.[85]

After the Arusha Declaration, the state owned all or the majority of the equity in all significant industrial enterprises through its parastatals.[86] Some factories were run entirely by these state corporations, others by multinational corporations as managers and owners of a minority of the equity.[87] In addition, in 1971, workers' councils were set up in factories under the Mwongozo (or TANU Guidelines). These councils, for at least a couple of years, seriously disrupted production in a number of factories until they were brought under control by the socialist oriented TANU. Industrialization continued to grow, albeit for a short period of time.

Up to the early 1970s, the manufacturing sector continued to expand satisfactorily. By 1971 about half the value of total parastatal assets in manufacturing was in new companies formed since 1964,[88] which suggests continued expansion. Output in the major industries, like cotton textiles, cement and petroleum refining, continued to expand

until 1973/4, after which it became static or declined. Beer, iron sheets, sisal ropes and wheat-flour milling all declined to at least the later 1970s. A number of new products, including electric batteries, shoes and rolled steel, were introduced in the later 1960s. Between 1967 and 1977 there was a significant decline from 36 to 19 percent in the share of consumer goods in total imports and of 14 to 5 percent in imports of building and other construction goods, while imports of intermediate goods and spare parts rose from 27 to 40 percent.[89]

Bienefeld estimates that productivity rose in manufacturing from 1965 to 1972, after which it fell back to the 1968 level. By 1976, however, the chief sustained gains were confined to the more dynamic industries.[90] Until 1970, there was a continual growth in manufacturing with increased employment and some improvement in productivity. After 1970, however, the conditions were less favorable. From 1973/4 there was a marked increase in incremental capital output ratios, but a slight decrease for parastatals from their previous high ratios from 1972.[91] The operating surplus of industry was fairly constant at about 24-25 percent from 1965 to 1975, though this was determined by levels of effective protection and monopolistic price-fixing.[92]

There was, however, some serious limitation in this performance, particularly in exclusively state-run enterprises. From 1967 on, new state enterprises became more capital intensive than private or jointly owned firms

and more dependent on imports: 74 percent of their inputs were imported, compared with 30 percent for older firms. Each unit of labor contributed only half as much to production in these new enterprises as in older firms.[93] Moreover, in 1973 the newer firms generated domestic savings valued at only 4 percent of their capital stock, compared with 32 percent in firms established before 1967, retaining only 50 percent of value added as against nearly 80 percent repatriated.[94]

Since foreign capital was largely excluded on dogmatic grounds and Tanzania could not afford the foreign exchange necessary to finance its capital imports, its growing dependence on foreign aid in the 1970s (see Table 2) to provide new industrial investment meant that new factories tended to come as packages, which reflected industrial conditions in the European or American country of origin. Tanzania took what was offered. But the most significant aid came from its ideological ally--China. Among China's aid the most efficient one was the new textile mills which cost only about 60 percent of a similar but capital-intensive mill designed by a French company. The Chinese mill produced more fabric in 1975, employed twice as many Tanzanians and made a larger profit than the French mill.[95]

TABLE 2

FOREIGN CAPITAL INFLOW INTO TANZANIA, 1971-1977[a]
(In Millions U.S. Dollars and as Percent of GNP)

Year	1971	1972	1973	1974	1975	1976	1977
Grants:	30.6	44.5	64.9	99.4	188.1	195.7	215.1
Loans:	31.8	16.5	35.4	63.1	107.3	71.4	124.8
Total: Capital Inflow	62.4	61.0	100.3	162.5	295.4	267.1	339.9
GNP:	1457	1633	1817	2296	2505	2724	2735
Capital: Inflow % GNP	4.3	3.7	5.5	7.1	11.8	9.8	12.4

[a]GNP is estimated for the year 1977.
Source: Oorganization for Economic Cooperation and Development, <u>Geographical Distribution of Financial Flows</u>, 1978.

The performance of the manufacturing sector in Tanzania is similar to that of most other African states, despite the country's "socialist" rhetoric. Just as in Latin American countries, import-substituting industrialization policy, financed by foreign aid, failed to generate significant production of intermediate or capital goods and became increasingly dependent on imports, whose supply became more uncertain as the country experienced serious balance of payments problems.[96] Linkages to the domestic economy remained weak except in processing. Factory employment rose only from 4 to 6 per cent of the labor force and industrial production from 11 to 13 per cent of GDP between 1960 and

1979.[97] And yet, Nyerere remained wedded to his philosophy of African socialism and refused to try to chart a new course for his country.

Increasingly, Tanzania began to use the bulk of investments provided by foreign aid, after the Arusha Declaration, to provide a social and physical infrastructure in the rural areas. This is quite a departure from the pre-Arusha practice of absorbing most foreign capital, especially in the form of aid, in the government budgetary expenditure. Table 3 demonstrates how the bulk of investments has been provided through foreign capital.

TABLE 3

MINISTRIES AND PARASTATALS:

PERCENTAGE OF FOREIGN CAPITAL IN GOVERNMENT DEVELOPMENT PROGRAMME IN TANZANIA.

Year	1965	'66	'67	'68	'69	'70	'71	'72	'73	'74
Ministries' External share(of total investments)	42	42	50	36	38	36	40	48	47	50
Parastatals External shares	56	49	86	70	53	57	51	48	55	48

Source: Clark, Investment in Tanzania, Table 81, 1978, p. 180.

Major expenditures have been in the areas of an improved transport system, especially the major trunk roads, and a rural water supply, including irrigation and river

programs. Clark reported that in 1975 the water project consumed 192 million Tanzanian shillings of foreign aid money.

At present, the economy of Tanzania, is controlled by parastatal organizations.[98] Hence parastatal investment has been growing rapidly in absolute terms and as a proportion of total investment. These investments, however, are said to be concentrated in the more capital intensive areas of the economy, which makes them, therefore, of less value in terms of providing employment to the people. At the same time, when seen from the viewpoint of investment orientation, parastatals are developing the economy in a way which makes it very dependent externally (i.e., export oriented). Based on the information of the first and second five year plans, Clark computed the degree of external orientation by showing the share of exports in the total output of these parastatals (see Table 4).

TABLE 4

SHARE OF EXPORTS IN THE TOTAL OUTPUT OF PARASTATALS IN TANZANIA

Year	1965	'66	'67	'68	'69	'70	'71	'72	'73	'74
Share to exports	40	53	55	45	48	28	39	44	51	34

Source: Clark, Investment in Tanzania, see table 3.

Agriculture

It is well known that the most ambitious experiment in agricultural development has taken place in Tanzania. Like most other colonized African states, it inherited an agricultural economy organized to produce mainly cash crops for export.[99] In the predominantly peasant and subsistence economy there existed an important plantation industry, producing sisal for export, a number of white farmers producing coffee and other export crops on a large scale, and a growing class of African farmers, having small-to medium-sized farms increasingly active in cash-crop production.[100] As soon as Tanzania gained its independence, many of its white farmers left the country leaving African farmers to rapidly expand production of cotton, coffee and cashew-nuts between 1960-2 and 1966-8, with annual growth rates ranging from 8 to 13 per cent.[101] However, the few remaining foreigners controlled most of the exportable crops (see Table 5).

Nyerere did not endorse capitalist development whether controlled by white or black; but he wanted the country to be self-reliant and self-sufficient, and in the 1960s experimented with various methods to improve production and productivity. To this end, existing cooperatives were given a monopoly of buying and selling and were put under state control.[102] Extension services, already well developed under the 'improvement' scheme, were further expanded. The so-called 'transformation approach' was used to establish new

settlements on unused land with a considerable invest-ment in irrigation and equipment.[103] In short, government policy remained unchanged between the later colonial period and the mid-1960s.

TABLE 5

DISTRIBUTION OF OWNERSHIP OF SISAL PRODUCTION
IN TANZANIA, 1964

	Tons	Percentage
Greek	70,000	30.5
British	57,000	25.1
Asian	62,000	27.1
Swiss	15,000	6.8
Dutch	13,000	6.0
Italian	150	----
Germany	1,250	0.5
African	9,100	
Total	229,800	100.0

Source: I. Shivji, <u>Class Struggle in Tanzania</u> (London: Heinemann, 1976), p. 36.

But all this changed, as mentioned earlier, with the 1967 Arusha Declaration.[104] The aim of the Declaration was to emphasize the importance of agriculture and rural development as an integral part of the new policy of 'self-reliance.' Given the dominant role of peasant and subsistence farming and the inadequacy of the previous agricultural policies, the Declaration was potentially very constructive. The earlier capitalistic model of development had been an expensive failure, mainly because the equipment and techniques were unsuited to the land and the crops

grown. Additionally, while commodity production grew, due mainly to the enterprise of a small minority of large producers and growing production for the market by small-holders, subsistence agriculture production grew faster. For instance, between 1960 and 1968 it increased from 55 to 71 percent of total agricultural output. However, agriculture as a whole declined from 60.9 to 41 percent of GDP.[105]

These problems provided ground for Nyrere to look for a radical new departure in agricultural policy. Moreover, as Hyden observed, "patronage" politics in rural areas, in which party members and bureaucrats created private fiefs and in turn were influenced by the demands of their peasant clients, was growing.[106] If such a socio-political system were allowed to continue, then Nyerere reasoned, it could hinder development and ultimately threaten the power of TANU as the dominant influence in a centralized socialist state.[107]

The Arusha Declaration, therefore, can be seen as Nyerere's response to the stated political and economic problems. By adopting the concept of Ujamaa, he attempted to invoke an idealized version of the mutual self-help of the peasant household as the basis for a socialist work ethic. By replacing capitalism with this 'socialist' concept, he hoped to legitimize intrusive action by the state to obtain higher levels of production. At the same time, he could also neutralize the political influence of

the rural petty bourgeoisie. This may well have been his primary motive.[108]

In 1973, in a new policy Nyerere ordered all villages to become Ujamaa villages by 1976 and all peasants to move to them. This declaration reflected his frustration with the outcome of the first six years since the Arusha Declaration. During this period, despite his efforts to make Tanzania self-reliant and self-sufficient, his emphasis on collective and communal production and the elimination of capitalist farming failed to meet his expectations.

The new policy may have had short term political gain for Nyerere, but as we now know it was disastrous for economic development. Politically, he gained support from the poor peasants because he ordered most sisal estates to be nationalized, and many of the large grain farms to be expropriated and turned over to the state farms or to be operated by Ujamaa villages. Also, African farmers with sizable holdings were forced to give up much of their land and move to the villages.

Furthermore, some success in efficiency and political control was achieved in concentrating peasants in villages by putting communal production under official supervision. For instance, between 1970 and 1974 the number of people living in Ujamaa villages increased from 531,200 to 2,560,472. By 1972 perhaps half of the population lived in villages, though by no means all were in the new Ujamaa system.[109] In any case, by 1977 most villages had declared

themselves Ujamaa and over 90 percent of the population had settled in them, though most of them amounted to little more than a name.[110] By the late 1970s it was claimed that some 13 million people were living in villages, defined as having at least 250 families, which included pre-1967 communal survivals, old villages and the largely new settlements created under the new policy. At the time this must rate as one of the largest enforced population movements of modern history (topping even the recent enforced population movements in Ethiopia).[111] As in Ethiopia today, after peasants had settled into their new villages, the government's response to the food crisis in many instances was to start state farms with capital intensive machines and expatriate technicians, often under foreign aid schemes.[112]

Unlike the short term political gain for Nyerere, the overall political-economic effect of the new policy was disappointing. At constant price, price output grew at 3.9 percent from 1965 to 1971. Subsistence was estimated to have grown at 3.1 percent; but in the three years after the new policy took effect, from 1968 to 1971, subsistence production was virtually static and monetized production grew by only about 5 percent.[113] Meanwhile the major export crops were in serious decline. Between 1966 and 1973 cotton production dropped by 3,695 tons, sisal by 53,612 tons, pyrethrum from 5,558 to 3,962 tons, and coffee production was almost static.[114] Only cashew nuts and tea grew significantly.

Apart from the few highly successful voluntary Ujamaa villages, such as the famous Ruvuma Development Association (later to be closed down because it was too independent), peasants found that they could take little active part in planning collective activities, which were in the hands of the civil servants, nor was there much advantage for them in taking part in collective production. This was reflected in the substantial decline of agricultural production.

For instance, the production of export crops declined from 403,000 tons in 1973 to 305,000 tons in 1978.[115] From 1974 to 1976 there was a major drop in agricultural production, which was possibly intensified by drought. In the period from 1971 to 1978, cotton production declined from 71,296 to 65,199 tons, sisal from 168,977 to 105,009 tons, and cashew nuts from 121,750 to 82,404 tons.[116] Food crops also suffered as reflected in an increase of grain imports from 11,600 tons in 1970/71 to 413,200 tons in 1974/5.[117] The overall effect of villagization seems to have produced more on the negative side than on the positive.

Among the many factors that may have contributed to the relatively poor performance of the economy were exogenous ones. Before 1982 adverse factors included a rapid decline in Tanzania's terms of trade (1980=100) from 105 in 1979 to 86 in 1981 and a substantial increase in the burden of its considerable external public debt (see Table 6), made worse by the decline in the volume as well as the value of commodity exports.[118]

TABLE 6

TANZANIA'S EXTERNAL PUBLIC DEBT AND DEBT SERVICE, 1962-1982
(In Millions of U.S. Dollars)

	A Debt outstanding	B Debt service
1962	48.0	n/a
1967	139.9	7.3
1970	248.5	15.7
1973	463.7	31.9
1977	1,005.0	33.2
1979	1,213.4	59.8
1982	1,631.6	46.4

Sources: 1962: UN, A Survey of Economic Conditions in Africa, 1962-1964, table 16 and appendix table 1. 1967: World Bank, World Tables (Washington DC, 1980). 1979: World Bank, Accelerated Development, app. 7, 13, 14. 1982: World Bank, Toward Sustained Development, app. 7, 13, 14. 1979 and 1982, IMF, International Financial Statistics Yearbook (1984).

But so far as the failure of state public policy-making and execution is concerned, the current consensus seems to be that the main weakness lay in the ability and attitude of the political and administrative elite. On this score Tanzania is not alone among African states.

The Kenyan agricultural policy in many ways differs from that of Tanzania because Kenya was far more favorable to a private indigenous agriculture and sustained commodity exports. One can see this from what economists call nominal

protection coefficients of the main export crops, i.e., the price paid to the producer divided by the net world market price (the higher the coefficients the more favorable).[119] Moreover, Kenya continued the colonial agricultural structure by preserving mixed and grade cattle farming, as well as establishing a class of African medium and small farmers geared to the market.

The growth rate of the agricultural sector was high in comparison to most other African countries. In the 1970s (no comparable figure found for the 1960s) the growth rate was 5.4 per cent; and, although from 1969-71 to 1977-9 there was a small negative trend in per capita food production, the growth of non-food production was sufficient to make Kenya one of the few sub-Saharan African states with a positive per capita growth of agricultural production in that decade.[120] Between 1970 and 1977, and at current prices, the gross marketed production of crops and livestock (excluding subsistence production) rose from K£85 millions to K£415 millions.[121]

On the other hand, there is very little information, if any, on the production or productivity of the majority of small farmers who did not enter the cash economy. Therefore, it is impossible to value the greater proportion of the product of Kenyan agriculture.

The distinctive feature of land and agricultural policy was the individualization of ownership, through registration of tenures, as contrasted with the informal or group owner-

ship and largely private use characteristic of most African peasant societies. As discussed earlier, this was the result of large-scale European land ownership, the commercialization of a significant part of agricultural production, which encouraged Africans to consolidate their holdings, and the process by which land was transferred from European to Black African ownership from the mid-1950s.[122] By 1977 a large proportion of usable land in the most productive areas had been registered or was under adjudication.[123]

The process began officially in 1955 and was complete in Central Province before Kenya gained its independence. Simultaneously, the removal of all previous restrictions on the commercial crops Africans were permitted to grow in the interests of European settlers provided the incentive for Africans to invest in European land. The transfer of ownership was eased first by the Land Transfer Program financed by Britain (refer to the historical section), then in 1961 by a scheme funded by the World Bank and the Colonial Development Corporation and run by the Kenya Land Development and Settlement Board. Settler land was to be bought and divided into relatively large farms (intended to produce 1,800 'yeoman' farmers with 20 ha or more and 6,000 'peasant' farms of 6 ha or more). Since large down payments were needed, these settlers would have to be wealthy.[124]

The scheme, however, failed because of the lack of suitable land, the cost of buying unwanted settler assets

such as large farmhouses, and lack of suitable settlers willing to leave their tribal areas. It was replaced by the Million Acre Scheme (405,000 ha), intended to provide small holdings for landless people, which resulted in some 35,000 holdings averaging only 13.4 ha. Yet more land (some 600,000 ha) was acquired by Africans privately, much of it in relatively large units, as compared with some 470,000 ha sold under the scheme. In addition a large number of small holdings, averaging 7.5 ha, were created. Under the Haraka Scheme of 1971 for co-operative farming on large estates, workers were allocated one hectare per family for their own use.[125]

Kenya thus emerged with a uniquely large number of African landowning peasants, but also with an exceptional differentiation between large and small farmers. For most of the small farmers an income outside their farming was necessary.[126] Nevertheless, unlike Tanzania, there was no political control restricting peasants from moving anywhere in order to earn their living in any way they wished to.

From the limited evidence so far, the main achievement of the agricultural production was the growth of cash crop production by the larger smallholders, which some have taken to constitute an 'agrarian revolution.' Gross farm revenues of smallholders rose from Kf8 millions to Kf34 millions from 1958 to 1968, an increase of 435 percent, led by coffee, pyrethrum, tea, grade cattle and improved maize. By 1977 smallholders produced 1 million tons of sugar cane, a third

of the country's total production.[127] This increase was greatly helped by government research and extension services and, in the case of sugar, by the successful Mumias nucleus estate scheme in Western Province.[128]

A word of caution is necessary here. According to Hazelwood, in 1974/75 only about 9 percent of smallholder output was of the main export crops in which this impressive growth had occurred. On the other hand, the smallholders produced 20 percent of food-crop sales and 16 percent of livestock and milk sales. In addition, they produced 38 percent of food and 17 percent of livestock and milk for family consumption.[129] Thus some 33 percent of smallholder output consisted of livestock and milk. Kitching estimates that in the later 1960s beef sales alone constituted 25 percent of farm revenues.[130] Since most of this cattle was unaffected by technical improvements and the low prices paid by the Kenya Meat Commission, this implied that the mass of smallholders were still heavily dependent on an unimproved product. Only some 350,000 out of 1.2 millions smallholders had been affected by the agrarian revolution.[131]

The record of public policy in Kenya, therefore, is mixed. Compared with Tanzania, it was far less prone to waste resources on conspicuous public consumption, inefficient state farms and manufactures. On the other hand, it was relatively generous to producers of cash crops and rational in its treatment of foreign investment. Yet, it adopted conventional protectionist policies for industry,

provided state support to enable a small wealthy minority to accumulate land and establish private industrial enterprises, and accepted growing social inequality.[132] It came to depend increasingly on foreign loans and investments to sustain the expanding modern sector and offset deficits in its balance of payments. On this score it is identical with its socialist neighbor. The pattern of accelerating indebtedness and its consequences is clear from table 7 below.

TABLE 7

KENYA'S EXTERNAL PUBLIC DEBT AND DEBT SERVICE, 1959-1982
(In Millions of U.S. Dollars)

A Debt outstanding		B Debt service
1959	82.9	n/a
1963	142.4	n/a
1967	219.6	19.9
1970	312.8	27.0
1973	433.2	29.6
1977	821.4	54.1
1979	1,885.7	235.6
1982	2,401.6	376.2

Source: 1959, 1963: UN, Statistical Yearbook 1965, tables 148, 192. 1967: World Bank, World Tables (Washington DC, 1976). 1970-7: World Bank, World Tables (Washington DC, 1976). 1979: World Bank, Accelerated Development, app. 7, 13, 14. 1982: World Bank, Toward Sustained Development, Apps. 7, 13, 14, and also from IMF, International Financial Statistics Yearbook (1984), 1979 and 1982 Column C:.

These figures show that, although the total debt increased considerably between 1959 and 1982, its burden was kept down by a parallel expansion of exports and by continu-

ing easy terms of debt service. Thereafter the oil price increase and a sudden rise in rates of interest, made debt service very onerous indeed.[133]

In any case, comparing the respective economic growth of Tanzania and Kenya one finds Tanzania lagging far behind Kenya. In part, this is due to the fact that Kenya had been consistent in its economic policy since independence. When it became independent it merely followed the development path mapped out by the colonial state. In part, Kenya had the full support of the British colonial administration and political elites in London, which in turn increased the confidence of foreign investors to invest in Kenya.

On the other hand, a casual visitor in Kenya finds sparkling skyscrapers and luxuriant suburbs populated by well-to-do local entrepreneurs who drive Mercedes-Benzes and splash in marble pools. What he or she may not realize is that these seemingly economic benefits are scant, and are not evenly distributed. In contemporary Kenya, 45 percent of all personal income earned is held by only 10 percent of the population.[134]

An even more threatening problem looms ahead for Kenya when the current population of 24 million people doubles as expected to 40 million people by the year 2000. By then, according to a report by the New African, "[t]he majority of the population...could well be under 15 and the country will be fully stretched simply in providing basic health care and education for all its new citizens. The economy will have

to grow at least 15 per cent per annum to even hope to provide jobs for the majority of Kenya's population."[135]

In contrast, Tanzania had neither a consistent economic policy nor benefited from its German or British colonizers. The Germans had been interested in their plantations and in any case did not stay long enough to reevaluate their policies even if they had wanted to.

Once Tanzania fell under British administration, the British, already firmly established in Kenya, were unwilling to invest heavily in Tanzania as well. Indeed, the British instead used Tanzania as a market place for their products manufactured in neighboring Kenya. Nevertheless, Tanzania flirted with free enterprise for some time until it became frustrated with the results and drastically changed its development course with Nyerere's Arusha Declaration. This declaration effectively shut out interested foreign investors from investing in Tanzania even if they had wanted to. From then on Tanzania embarked on a previously uncharted course and began rural-focused socialist development (Ujamaa).

Conclusion

From the discussion thus far, we have seen how the development processes pose severe difficulties for LICs like Tanzania and Kenya. All the necessary resources, including time, are scarce. Yet the people (rich and poor) expect and demand quick results. Because of time pressure the poli-

tical elites hope to modernize their countries in years or decades; what has taken the ICs generations or centuries. To bring this to reality, the elites base their development strategies on either capitalist or socialist paths and call their people to make sacrifices. Meanwhile, the inexorable increase in population, expected to double in the year 2000, coupled with the political repression justified by the need to rectify the economic inequalities, threaten to cancel out the meager economic gains made by strenuous efforts.

Behind the struggle for development to overcome acute deficiencies in statistical data, trained personnel, honest political elites, developed transportation systems, power, schools, houses, savings, a representative political system, to name a few, loom time and uncontrollable population growth. Even if one assumes programs which combine perfect economic rationality and administrative feasibility, their realization would encounter tremendous political and social difficulties.

In the case of Tanzania it is clear that its development strategy, rhetoric aside, is a long way from making itself self-sufficient. In 1975 the gap in income between the urban and rural dwellers widened by 17 percent. In the same year unemployment and inflation increased by 17 and 26 percent respectively.[136] Perhaps a much more serious set back for Tanzania's Ujamaa policy is reflected in the decline of its agricultural production.[137] It is hard to believe that with all its socialist policies specifically

aimed at increasing the well beings of peasants, it should suffer a food shortage and must import grain to stave off possible starvation in the 1980's.[138]

In Kenya too, especially after 1973, significant problems were becoming evident in the agricultural sector. For instance, from 1972 to 1980 the average annual growth rate of gross domestic product was 4.2 percent per year with growth rate fluctuating from year to year as a result of instability in import and export price (see table 8).

TABLE 8

THE ANNUAL GROWTH RATE OF KENYAN GDP (1973-1980)

Year	Percentage rate
1972-1973	7.0
1973-1974	4.1
1974-1975	1.2
1975-1976	5.6
1976-1977	8.6
1977-1978	6.6
1978-1979	4.1
1979-1980	2.4

Source: <u>Kenya Government Statistical Abstract</u>, 1975, 1977, 1978, and <u>Economic Survey</u>, 1981, table 2.1.

The growth rate for marketed agricultural output fell to 2.9 percent. With population growing at between 3.5 and 4 percent per year, total output per capita fell in at least two years, 1976 and 1980.[139] Most farms were too small or on land of poor quality to enable them to achieve the basic needs level of income. In addition, income differentials correlates with geographic concentrations in industry. As a

result the income gap between the urban-rural sectors continue to widen.[140]

Table 9 (see endnote 143) indicates the total reported number of employees and the estimated earnings without regard to whether they are in the public or the private sector, or involved in agricultural or industrial activities. Since most private industry is located in the towns, the table may be viewed as a rough approximation of rural-urban income differentials. From the computed averages, it can be seen that the towns greatly exceed the provinces in payments to labor while they employ significantly fewer people; the result is that the average wage in the towns is more than triple that of the rural areas. Feldman, Crawford and Thorbecke found that in the mid-1970s approximately 570,000 rural smallholder households or 3.4 million people lived in dire poverty.[141]

Because of this legacy, industrial growth in Kenya has, like most other LICs, been concentrated in a few urban areas. Kenya's small modern industrial sector is not yet sufficiently diversified, nor has it built up sufficient internal integration nor innovative capacity to be capable of generating its own investment capital. Most of the major industries have been the product of the penetration of multinational corporations. For instance, from 1970 to 1975, multinational investment in the country totalled 22 percent of GNP. Most of these investments were concentrated in manufacturing, and some in general trade, petroleum,

banking, transportation, advertising, and agriculture.[142] While this pattern of industrialization has promoted the industrial sector and contributed to higher employment[143] in that sector, it has also contributed to the rate of decline in wage employment in the agricultural sector.[144]

Chapter 5

Endnotes

[1]Quoted in Politics in Africa: 7 Cases, ed. by Gwendolen M. Carter (New York: Harcourt, Brace & World, 1966), pp. 209.

[2]Ibid., 215.

[3]Ibid., 233.

[4]See details for patterns of inequalities in Kenya in the ILO Report, Employment, Income, and Equality, 1972.

[5]Refer to the historical section of this dissertation. For Kenya's flirtation with socialism, see Republic of Kenya, Sessional Paper No. 10 of 1965: African Socialism and Its Applications to Planning in Kenya (Nairobi: Government Printer, 1965).

[6]Christopher Leo, Land and Class in Kenya (Toronto: University of Toronto, 1984), chs. 4 and 5.

[7]A. Hazlewood, The Economy of Kenya: The Kenyatta Era (Oxford, 1979)], table 4.17.

[8]C. K. George Kahama, T. L. Maliyamkono, and S. Wells, The Challenge for Tanzania's Economy (London: Heinemann, 1986), p. 251.

[9]There are many stories of the growth of smallholding production in this period. See J. Heyer, J. K. Maitha, and W. M. Senga, Agricultural Development in Kenya: An Economic Assessment (Nairobi: Oxford University Press, 1976).

[10]Odinga Oginga, Not Yet Uhuru: The Autobiography of Odinga Oginga (New York: Hill and Wang, 1967), pp. 257-259.

[11]Ibid., 261.

[12]Leo, Land and Class in Kenya, pp. 124-25.

[13]World Bank, Accelerated Development in Sub-Saharan Africa (Washington D.C., 1981), apps. 7, 3, 14.

[14]Nicola Swainson, "The Rise of a National Bourgeoisie in Kenya," Review of African Political Economy, No. 8 (1977), pp. 39-54.

[15]World Bank, Accelerated Development in Sub-Saharan Africa, apps. 1, 2.

[16]World Bank, Accelerated Development in Sub-Saharan Africa, apps. 8; Hazlewood, The Economy of Kenya: The Kenyatta Era; and, Kenya Government, Statistical Abstracts, 1972, 1975, 1977 and 1981.

[17]Hazlewood, The Economy of Kenya: The Kenyatta Era, tables 5.12, 5.13.

[18]Ibid., table 5.15.

[19]J. Iliffe, "Tanzania under German and British Rule," in Socialism in Tanzania, ed. by L. Cliffe and J. S. Saul (Nairobi: East African Publishing House, 1972).

[20]Kahama, Maliyamkono, and Wells, The Challenge for Tanzania's Economy, p. 17.

[21] M. H. Y. Kaniki, ed., Tanzania under Colonial Rule (London: Longman Group Limited, 1979), p. 133.

[22]A. J. Temu, "Tanzanian Societies and Colonial Invasion 1875-1907," in Tanzanian under Colonial Rule, ed. by M. H. Y. Kaniki (London: Longman Group Limited, 1979), pp. 114-15.

[23]Ibid.

[24]G. Hyden, Beyond Ujamaa in Tanzania: Underdevelopment and an Uncaptured Peasantry (London: Heinemann Educational Books, 1980).

[25]See, for instance, Word Bank, International Bank for Reconstruction and Development: The Economic Development of Tanganyika (John Hopkins University Press, 1961).

[26]A. Coulson, Tanzania: A Political Economy (Oxford: Clarendon Press, 1982), pp. 120-21.

[27]See Foreign Investments Protection Act of 1963. This Act guaranteed, inter alia, full and fair compersation in case of nationalization or expropriation and the transfer out of Tanganyika in the relevant foreign currency of the profits (after taxation) of the investment, the share of the proceeds of sale of the relevant enterprise, and any approved loan; J. Rweyemamu, Underdevelopment and Industrialization in Tanzania: A Study of Perverse Capitalist Industrial Development (Nairobi: Oxford University Press, 1973), pp. 130-37, especially, table 4:8, "Tariff Protection and Import Substitution Industrialization."

[28]IBRD Economic Survey Mission to Tanganyka (Baltimore: Johns Hopkins University Press, 1961).

[29]Kahama, Maliyamkono, and Stuart, The Challenge for Tanzania's Economy, p. 27.

[30]Ibid., 72.

[31]Ibid., see also Tanzania's "First Five Year Development Plan (1964-69)."

[32]Hadley E. Smith, Readings in Economic Development and Administration in Tanzania (London: Oxford University Press, 1966), p. 376.

[33]Computed from United Republic of Tanzania, The Economic Survey (various years).

[34]Rweyemamu, Underdevelopment and Industrialization in Tanzania: A Study of Perverse Capitalist Industrial Development, p. 44.

[35]Ibid. For instance, in 1964 the price of sisal was 1,700 shillings per ton. This dropped to an average of 765 shillings per ton between 1965 and 1968. Tanzanya's foreign exchange earnings from sisal also dropped from 468.7 million shillings in 1964 to 154.6 million shillings in 1968. Government revenue from sisal fell accordingly from 306 million shillings in 1963 to a mere 60 million shillings in 1966.

[36]K. Malima, "Planning for Self-Reliance: Tanzania's Third Five-Year Development Plan," Economic Research Bureau, Dar es Salaam, (mimeographed, 1978), p. 18.

[37]Okwudiba Nnoli, Self Reliance and Foreign Policy in Tanzania: The Dynamics of Diplomacy of a New State, 1961-1971 (New York: Nok Publishers, 1978), p. 11.

[38]Ibid.

[39]Ibid., 120.

[40]J. K. Nyerere, The Arusha Declaration and Tanu's Policy on Socialism and Self-Reliance (Dar es Salaam, Tanzanya: Government Printer, 1967).

[41]J. K. Nyerere, Ujamaa--The Basis for African Socialism (Dar es Salaam, Tanzanya: Tanganyika African National Union, 1962).

[42]Ibid.

[43]Kahama, Maliyamkono, and Stuart, The Challenge for Tanzania's Economy, ch. 7.

[44]L. Berry, O. Mascarenhas, and S. Steward, Eastern African Country Profiles: The United Republic of Tanzanya, Clark University International Development Program, Worcester, MA, (1982).

[45]South Magazine, June, 1984, p. 24.

[46]World Bank, Accelerated Development in Sub-Saharan Africa, apps. 38.

[47]Ibid., apps. 34, 37; Coulson, Tanzanya: A Political Economy, ch. 21.

[48]Coulson, Tanzania: A Political Economy, table 20.3, p. 188; more realistic figures would be those for the growth of monetized gross material product: 5.2 percent from 1965 to 1971, but only 2.0 percent from 1971 to 1977. For the same periods GDP increased 5.6 and then fell -4.8 percent. With population growing at 2.7 percent in the 1960s and 3.4 percent in the 1970s, this implied a substantial decline in real incomes after 1971. Ibid., tables 20.3, 20.4

[49]Ibid., tables 20.10, 20.12.

[50]Ibid., tables 20.5, 20.1.

[51]Thus in 1975, for instance, the state registered a trade deficit of 2,990 m. shillings (sh) (US$418.6 m.), which it offset by receiving overseas loans, investment, etc., of 2126 m. sh ($297.6 m.). Ibid., table 20.2. The dollar exchange rate of the shilling was about 7.142 sh = $1 from 1960 to 1975. Since then it has devalued considerably.

[52]Michael F. Lofchie, "Agrarian Crisis and Economic Liberalization in Tanzanya," in Journal of Modern African Studies, 16, No. 3 (1978), 453-55.

[53]M. Bienefeld, "Evaluating Tanzanyan Industrial Development," in Industry and Accumulation in Africa, ed. by M. Fransman (London, 1982), p. 128.

[54]Coulson, Tanzania: A Political Economy, table 20.6.

[55]Henry Bienen, Tanzania: Party Transformation and Economic Development (Princeton, NJ: Princeton University Press, 1969); see also Hyden, Beyond Ujamaa in Tanzania: Underdevelopment and an Uncaptured Peasantry.

[56] I. G. Shivji, Class Struggles in Tanzania (London: Heinemann, 1976), p. 50.

[57] W. Edmund Clark, Socialist Development and Public Investment in Tanzanya, 1964-73 (Toronto, 1978) pp. 30-34.

[58] E. A. Brett, Colonialism and Underdevelopment in East Africa: The Politics of Economic Change 1919-39 (London: Heinemann, 1973), p. 217; J. Iliffe, Agricultural Change in Modern Tanzania (East African Publishing House, 1971), p. 36-3.7

[59] IIiffe, Agricultural Change in Modern Tanzania, p. 38.

[60] Ibid., 38.

[61] Shivji, Class Struggles in Tanzania, pp. 66-99.

[62] V. I. Lenin, Collected Works, I-IV (1893-1901), (Moscow, 1972).

[63] Coulson, Tanzania: A Political Economy, p. 176.

[64] Central government income, with the exception of receipts from parastatals, rose from 18.5 percent of GDP in 1967/8 to 30.5 per cent in 1973/4, though it dropped to 25 percent in 1976/7. Ibid., 193, table 20.8.

[65] Ibid., 179.

[66] Ibid., 180.

[67] Ibid., 272.

[68] Hyden, Beyond Ujamaa in Tanzania: Underdevelopment and an Uncaptured Peasantry, p. 124.

[69] World Bank, Accelerated Development in Sub-Saharan Africa, app. 5.

[70] Hazelwood, The Economy of Kenya: The Kenyatta Era, tables 3.10, 5.3.

[71] Ibid., 160.

[72] Cathy L. Jabara, "Agricultural Pricing Policy in Kenya," in World Development, 13, No.5, (1985), 611-626.

[73] Hazelwood, The Economy of Kenya: The Kenyatta Era, table 5.5.

[74] S. W. Langdon, Multinational Corporations in the Political Economy of Kenya, (London, 1981) pp. 36-7.

[75] Ibid., 42.

[76] Ibid., ch. 3.

[77] Ibid., ch. 5.

[78] Fransman, ed., Industry and Accumulation in Africa, p. 200.

[79] This despite the fact that by the year 2000, an estimated 24.7 percent of Tanzania's population of 35 million will be urban, with 76.6 percent of that urban population being concentrated in regional centres. See, United Nations Conference on the Least Developed Countries, 1981.

[80] Hazelwood, The Economy of Kenya: The Kenyatta Era, pp. 70, 67.

[81] Coulson, Tanzania: A Political Economy, ch. 18; see also, Rweyemamu, Underdevelopment and Industrialization in Tanzanya: A Study of Perverse Capitalist Industrialist Development (references are to the 1978 edition).

[82] D. K. Fieldhouse, Unilever Overseas: The Anatomy of a Multinational, 1895-1965 (London, 1978), p. 417.

[83] In 1960-6, for instance, value added in manufacturing rose from 109m.sh. to 271m. Cotton textiles increased from 5.2m. to 28.8m. sq. metres between 1963 and 1968, paints from 432,250 to 1,442,350 litres, sisal rope from nothing to 16,454 tons, cement to 153,894 tons. See, for example, Coulson, Tanzania: A Political Economy, p.173 ; and Rweyemamu, Underdevelopment and Industrialization in Tanzania: A Study of Perverse Capitalist Industrialist Development, 2nd ed., (1978), table 4.5.

[84] Ibid., tables 4.8, 4.9, 4.10.

[85] Coulson, Tanzania: A Political Economy, p. 173.

[86] Ibid., 178-80.

[87] Ibid.

[88] Ibid., table 23.1.

[89] Ibid., table 20.7.

[90]M. Bienefeld, "Evaluating Tanzanyan Industrial Development," in Industry and Accumulation, ed. by Fransman, table 6.9, fig 6.4(a), table 6.11.

[91]Ibid., 128.

[92]Ibid., table 6.12.

[93]Coulson, Tanzania: A Political Economy, p. 280; quoting W. E. Clark, Socialist Development and Public Investment in Tanzanya, 1964-1973 (Toronto, 1978), pp. 117, 135-136 and ch. 20.

[94]Ibid., 280.

[95]Ibid., table 23.3.

96Kahama, Maliyamkono, and Stuart, The Challenge for Tanzania's Economy, p.94.

[97]World Bank, Accelerated Development in Sub-Saharan Africa, p. 35.

[98]Parastatals are defined as corporations or other entities owned by the government, or in which the government has a majority holding.

[99]I. Shivji, Law, State, and the Working Class in Tanzania (London and Dar es Salaam: Heinemann, 1986), pp. 18-19.

[100]Ibid.

[101]Coulson, Tanzania: A Political Economy, table, 17.1.

[102]Ibid., chs. 16 and 17.

[103]Ibid.

[104]Hyden, Beyond Ujamaa in Tanzania: Underdevelopment and an Uncaptured Peasantry, chs. 3 and 4.

[105]Ibid., 108.

[106]Ibid., 86-92.

[107]Ibid., 105.

[108]Ibid., table, 4.1.

[109]African Confidential, "Tanzania End of the Dream," 16 July 1980.

[110]Coulson, Tanzania: A Political Economy, table 20.3.

[111]"Ethiopia: Revolution and Development," Great Decisions 1989: Foreign Policy Issues Facing the Nation (1989), pp. 72-73.

[112]Ibid.

[113]Ibid.

[114]Ibid.

[115]African Confidential, "Tanzanya: Ujamaa Revisited" (November, 1978), p. 3.

[116]Coulson, Tanzania: A Political Economy, table 20.5; Hyden, Beyond Ujamaa in Tanzanya: Underdevelopment and an Uncaptured Peasantry, table 5.1.

[117]Linda Freeman, "CIDA Wheat and Ryrak Development in Tanzanya" CFAS, 16, no. 3, (1982).

[118]World Bank, Toward Sustained Development in Sub-saharan Africa, app. 11.

[119]World Bank, Accelerated Development in Sub-Saharan Africa, p. 56, Box D.

[120]Ibid., apps. 2, 5.

[121]Hazlewood, table 4.7 ; and among the crops, coffee increased from Kf22.1 m. to Kf190 m., and tea from Kf13.6 m. to Kf91.3 m.

[122]Leo, Land and Class in Kenya.

[123]Ibid., table. 4.6. For example, 99.3 percent in the Central Province, 64.1 percent in the Rift Valley, 82.7 percent in Nyanza and 92.5 percent in the Western Province.

[124]Refer to the historical chapter of this dissertation. Also see, World Bank, "Project for the Development and Settlement of Land in the Scheduled Areas," Nairobi, 1961, (mimeographed), para. ii.

[125]Christopher Leo, "Who benefited from the million-acre scheme? Towards a class analysis of Kenya's transition to Independence," Canadian Journal of African Studies, 15, no. 2 (1981). See also his Land and Class in Kenya, which examines this issue in great detail.

[126]Hazelwood, The Economy of Kenya: The Kenyatta Era, tables 4.18, 4.9. In 1976 there were some 3,273 'large'

farms, occupying 2.5 m. ha averaging 777.5 ha; and perhaps 1.7 m. smallholdings, of which about a third were under 0.5 ha and half under 1 ha.

[127]Ibid., table 4.17.

[128]E. Graham and Ingrid Floering, The Modern Plantation in the Third World (London, 1984), ch. 7. At constant (1956) prices, cash revenues to smallholders rose from Kf5.8m. in 1956 to Kf23.8m. in 1967. G. Kitching, Class and Economic Change in Kenya (New Haven, 1975), table 11.2. At current prices, they were Kf24.7m. in 1964 and Kf211m. in 1977. Hazelwood, The Economy of Kenya: The Kenyatta Era, table 4.8.

[129]Ibid., table 4.11.

130Kitching, Class and Economic Change in Kenya.

[131]For extended argument see Kitching, Class and Economic Change in Kenya, p. 329.

[132]I. Livingstone, Rural Development, Employment and Incomes in Kenya, International Labor Office, JASPA, (1981).

[133]These increased from an average rate of 3.8 percent in 1970 to 6.1 percent in 1982.

[134]World Bank, World Development Report, (New York: Oxford University Press, 1987), p. 252.

[135]New African, Sustainable Development: The Challenge of Our Time (January, 1989), pp. 39-40.

[136]The Economist, March 11, 1978, Survey 7 and Survey 12.

[137]African Confidential, "Tanzania: Ujamaa Revisited," (November, 1978), p.3. For instance, its cash crop production declined from 403,000 tons in 1973 to 305,000 tons in 1978.

[138]Gerald M. Meier and William F. Steel, eds., Industrial Adjustment in Sub-Saharan Africa (London: Oxford University Press, 1989), pp. 55-60.

[139]1See Ian Livingston, Rural Development, Employment and Incomes in Kenya [Addis Ababa: International Labor Office, 1981], p. 16.1; and Kenya Government, Central Bureau of Statistics, 1981, p. 7; Kenya Government, Sessional Paper No. 4 on National Food Policy, (1981).

[140]For instance, in a Kenyan publication entitled, "Reported Employment and Earnings 1962," the following summary information has been abstracted.

TABLE 9

KENYA:

DISTRIBUTION OF EMPLOYMENT AND EARNINGS 1962

	Labor	Percent	Wage Bill[a]	%	W/L[b]
Provinces	396,449	68.3	33,706	37.8	85
Towns	184,825	31.7	55,223	62.2	298
Total	581,274	100.0	88,929	100.0	153

[a]units '000
[b]approximate Wage Bill/Labor
Source: Reported Employment and Earnings 1962, Government of Kenya, Economics and Statistics Division, Ministry of Finance, June 1963.

[141]E. Crawford and E. Thorbecke, Employment, Income Distribution, Poverty Alleviation and Basic Needs in Kenya, Report of an ILO Consultancy Mission, (Cornell, 1978), table 3.9.

[142]Kahama, Maliyamkono, and Stuart, The Challenge for Tanzania's Economy, p. 259.

[143]See, Kenya Government, Statistical Abstracts, 1972, 1975, 1977, 1981.; and Economic Survey, 1981.

[144]Ibid.

PART III

TOWARDS AN ALTERNATIVE PARADIGM

CHAPTER 6

ASSESSMENT OF THE PARADIGMS

In this chapter, our aim is to assess the developmentalist (modernization), dependency, and orthodox Marxist paradigms in light of the developmental experiences of Kenya and Tanzania. We will argue that these experiences cannot be adequately interpreted by only one of the paradigms. Instead, some aspects of the development experiences of the two countries can be found to be consistent with some, but inconsistent with other, dimensions of the paradigms. Our assessment will show that none of them fully describes or adequately explains the processes of development. Thus, development strategy should focus upon delivering what the people want by minimizing pain and suffering through a series of cautious, flexible, limited actions, rather than attempting a major leap (as the Tanzanian case illustrated) based on one's imperfect and partial world-view (ideology).

Overview

These experiences by Kenya and Tanzania provide interesting insights into the basic assumptions of the three paradigms. First, there is truth to the dependentistas claim that a marked dominant and dependent political and

economic relationship exists between ICs and post-colonial LICs. Colonial and national LICs were, as the two cases demonstrate, drawn into the international economy as exporters of foodstuffs, raw materials and other minerals, and as importers of capital and manufactured goods. The production and investment decisions by the LICs often followed the interests of ICs. Consequently, the determinants of the development and the structure of the LICs class formations remained largely exogenous to LICs. By concentrating on primary product exports, LICs were unable to develop an autonomous capacity for growth and change.[1]

In both countries this was facilitated by the presence of a European settler population, which remained in Kenya and Tanzania (though more in the former than in the latter) after independence and played a major role in the countries' political and economic life. European colonialism had distorted the countries' political and social structures (particularly their land tenure system) and had made their market structure, as Samir Amin and Andre Gunder Frank put it, outward looking. Even after colonialism ended, the best land still remained in the hands of a few European and 'nouveau riche' Africans (more pronounced in Kenya than in Tanzania).[2] Seen in this light, it is hard to dispute the dependentistas claim that the opportunity for autonomous, self-sustaining growth was distorted by colonialism.

Second, just because a LIC is heavily reliant in its initial stage of development on a limited range of commodity

exports is not necessarily inimical for development. As modernization theorists assert, this has served Kenya and Tanzania as a foundation for their rapid economic growth.[3]

Third, the effects of a particular economic structure is dynamic, contradictory and can change over time and place. For instance, in Kenya, the removal of certain restrictions on the development of African commercial agriculture, in particular those on coffee and tea production, helped spur growth of marketing production in the small holding sector as peasants responded to the removal of the constraints.[4] On the other hand, in Tanzania, a similar strategy, such as the transformation scheme and the massive ground nut growing scheme, failed disastrously.[5]

Fourth, orthodox Marxists criticize the dependency paradigm, which casts all social ills on foreigners, as being anti-capitalist and a shield for nationalism. They also reject the dependency paradigms' assertion that international capital necessarily creates underdevelopment rather than development. Hence, they dismiss the paradigm. They argue instead that capitalism is a necessary stage that must be experienced and its historical role is to develop the world and pave the way for socialism.[6] According to this argument, Kenya and Tanzania will inevitably become socialist as the contradictions between the forces of production (expressing the social character of production) and the relations of production (based upon private property) sharpen. (For orthodox Marxists, Tanzania did not

qualify as a socialist state because it did not follow scientific socialism.)

The orthodox Marxist approach rejects the developmentalist characterization of LICs as a dual society: one modern and the other traditional, in which development will take place via the diffusion of capital. For orthodox Marxists, the developmentalist snapshot representation of LICs is ahistorical and hence arbitrary, whereas the dependentistas, in their view, distort the concept of capitalism, and neglect the importance of domestic class contradictions, differences and relations. For orthodox Marxists, what determines the characteristics of LICs is the mode of production: the form of extraction of economic surplus from the producers arising from specific relations of production, but not from the motives of the ruling class, of the practices of exchange. Although more than one mode of production (primitive, feudal, or capitalist) could coexist, the complexities should be ignored and the characteristics of the country in question should be understood in terms of the dominant mode of production.[7] The fact that serious unemployment and political arrest and detention plague contemporary Kenya,[8] while contemporary Tanzania retreats from its strict socialist policies by opening up its domestic economy for private enterprises, suggests that the two countries reflect to some extent the orthodox Marxist approach.[9]

A cursory examination of the development experiences of the two states shows however, that the dependency and the developmentalist arguments are useful. The fatalist view of orthodox Marxists that LICs can best be explained by way of a contradiction between the forces of production and the relations of production is not fully sustainable. Their argument that Kenya and Tanzania fit the capitalist and the socialist mode of production respectively, is equally not sustainable. As the preceding chapters attest, both incorporate an element of the two modes of production, with Kenya leaning towards capitalism and Tanzania towards socialism.

All this implies that the three paradigms contribute valuable insights into the two countries' history of development. The structural factors central to dependency theory and their initial rapid economic growth after independence, despite a history of exploitative colonialism, were crucial for them. In this regard the dependency theory is in accord with the developmentalist approach, to the extent that both paradigms emphasize the importance of the international economic and political power relations.[10]

Kenya and Tanzania have been subjected to dependency ties as colonies and as participants in the postwar political economy.[11] In view of Kenya's impressive economic growth, external dependency is not always or necessarily harmful. Undoubtedly, Britain's colonial policy toward Kenya was determined by the metropole's economic needs and

involved a siphoning off of surplus from Kenya. Yet, the economic structure that was established to this end was much more favorable in comparison to Tanzania (at least until the break up of the East-African Community) and proved quite functional for rapid industrialization once the constraints of colonialism, such as the development of African commercial agriculture, were removed. These favorable conditions helped Kenya achieve a high rate of economic growth in the first decade of independence.

In Tanzania, however, Nyerere witnessed not only a failure to attract foreign investment, but he also saw foreigners owning the lion's share of the main export crop, sisal (28 percent of the total export). Consequently, he boldly turned to a policy of "African Socialism" and self-reliance to minimize foreign domination of the domestic economy. He nationalized the key sectors of the national economy: banks, land, industry, housing, insurance, and trade.

The new policy reversed the patterns of ownership by socializing all industries. But the declaration did not give any positive guidance or recommendation for a strategy of industrial development. However, as time passed economic events forced making explicit the policies on the strategy of industrialization. Four strategies have operated in Tanzania.[12]

Strategy 1:

(a) Maximum Growth Strategy--considers industrialization the main engine of development. This approach was adopted from the early years of independence by the National Development Corporation (NDC), which was created to encourage industrial development. It is based on the policy of import substitution.

(b) Market Socialism Strategy--stresses industrialization based on comparative advantage and cost production. It favors labor-intensive production technique as well as projects which can bring quick foreign exchange returns. This is the approach which has been adopted by the parastatal corporations.

Strategy 2:

Processing Industry Strategy--places emphasis on establishing processing factories of major export raw materials. It assumes that Tanzania's comparative advantages and growth prospects lie in increased processing for export. The approach is also seen to break the colonial trade patterns of exporting raw materials. Therefore it is considered to reduce dependency on the metropole.

Strategy 3:

Small-Scale Industry Strategy--favors rural based small-scale industries. Its exponents see it as being the strategy best suited to the policy of rural socialism. Also this approach emphasizes the use of local resources in production.

Strategy 4:

Basic Industry Strategy--emphasizes the restructuring of production and elimination of dependence on outside forces. In this respect it expects to achieve self-reliance. In addition this approach promises to bring production and consumption in line through emphasizing the production of producer goods on a large scale and consumer goods on a limited scale.

Dependency: Kenya

For the postindependence era, Kenya's and Tanzania's experiences demonstrate that three dimensions or types of dependency exist and suggest that Kenya's relative economic success (in terms of economic growth) came from a specific combination of dependency linkage. First, as some scholars argue,[13] there is a distinction between foreign trade dependence on global economic markets and power dependence on the decisions of specific foreign actors, e.g., MNCs, governments, or classes. Second, conditions of political relations (clientalism) involving governments in the ICs and LICs should be separated, for analytical purposes, from their economic relations. In the contemporary era, the ICs political and economic penetration into the economy of the LICs may follow a quite different logic.[14]

When a major power is interested primarily in maintaining a political sphere of interest, often for national security reasons, it may be willing to subsidize rather than

exploit its peripheral allies.[15] Finally, the converse of dependence can be either independence or interdependence (i.e., mutual dependence). Thus, a dependent state can attempt to better its society's well-being either by withdrawing to some extent from the international system or by developing power resources vis-a-vis external dominating forces.

Kenya experienced power (political) and economic (market) dependence. Power dependence involves a foreign actor's explicit control over domestic outcomes, in this case through LICs political economic relationship with the ICs. In Kenya's case, power dependence was primarily part of political and economic relationships, especially with Britain and the U.S., which viewed it as a valuable client in the cold war competition. As a result, they were willing to subsidize it heavily, as in foreign aid.

Thus, the viability of Kenya's initial growth depended to a large degree on Britain's foreign aid and later on that of the U.S.[16] Britain's early considerable influence with the established government, primarily through the settlers, also helped promote liberalization and reform. The culmination of land reform, the transformation of settler farms to the African "bourgeoisie," and the transformation to export-led growth, proved to be beneficial for its ultimate growth and structural transformation.[17] More recently, Kenya's closer ties with the U.S. has brought it a favorable review for investment and aid by the West and gave it a

sense of security from its more unstable neighbors like Uganda, Somalia and the Sudan.[18] Such a willingness by the West to aid Kenya can be interpreted as a subtle form of politically motivated subsidy, since the country's economic value to the West, at best, is marginal.

Thus Kenya's political dependence on Britain, and now also on the United States, was not entirely harmful (perhaps even profitable) because it was part of a clientelistic relationship with a sponsor willing to subsidize it in the pursuit of geopolitical strategic goals.[19] Political dependence was minimized in the economic realm and market dependence contributed to growth because a strong state with a relatively successful managerial strategy existed. This indicates that Kenya created a significant amount of interdependence with external actors through a paradoxical combination of strength (e.g., attractive economic environment and a strong state) and weakness (e.g., vulnerability to military threats from its own citizens who oppose its development path, and from its hostile neighbors Somalia and Uganda).

This shows that it is possible for an ostensibly weak African nation to use creative "statecraft" to manipulate major powers in order to derive the reciprocal benefits of "interdependence".[20] Kenya also demonstrates the danger of dependency, however, in the sense that, as mentioned earlier, what happens in an economy is dependent on events and decisions elsewhere in the international system.[21]

Thus, for example, Americas' view of Kenya primarily in political terms may keep Kenya much more subject to the existing non-threatening political dependence, and help keep its enemies at bay, while its international market dependence creates lasting vulnerabilities to changes in its international competitive position and protectionism.[22]

Power dependence can also result in the economic sphere when foreign MNCs assume a leading role in a host country. This has not been a major problem for Kenya even though they play a prominent role in its development. According to Nicoli Swainsen, the government is credited with regulating MNCs better than many other African countries in terms of channeling them into desired sectors, emphasizing joint ventures with local, private and public capital, and establishing integral links with the domestic economy.[23]

Of particular importance, Kenya is aware of the dependency theory warnings that foreign MNCs can present economic and political threats and has, accordingly, imposed a series of regulations in such areas as domestic content, technology transfer, and types of permitted operations.[24] Indeed Kenya emphatically claims that it has a policy of African socialism.[25]

Kenya's relative success in managing the foreign capital rests on the following: (i) its strongly nationalist regime with its neoclassicist ideology, (ii) the indigenous bourgeoisie which is allied with foreign capital controlling the state,[26] Kenya, as other LICs, has undergone consider-

able learning experience about the effects of MNCs.[27] Nevertheless, the development efforts of Kenya and Tanzania remain under the mercy of external price fluctuations for their export commodities and foreign financial inputs.[28]

Export-led growth made Kenya highly dependent on international markets.[29] Thus far, dependence has been managed well and its export-based strategy has been seen as key to its growth. Market dependency still means that domestic economic growth is primarily a function of external economic events and decisions.[30] For instance, Kenya's growth and export record was greatly affected by the two oil price surges and the global recession of the early 1980s resulting in a serious balance of payment crisis.[31] The state is well aware of the potential danger of such dependency; thus it has diversified its commodities and its trading partners. As a result there is minimal dependence on western European consumers who now absorb only 10-15 percent of all Kenyan exports compared to 38 percent during independence. There is presently minimum vulnerability to external trade.[32] However, its expansion of trade relations to avoid dependence on a single country does not mean that it controls other decisions like prices for its exportable products. That still is very much a function of international prices largely decided by the MNCs in the ICs.

Furthermore, Kenya's extreme dependence on international markets, as evidenced in its 1979 development plan,[33] makes its continued modest economic success

(compared to Far Eastern countries, like Taiwan and Korea) vulnerable to challenges to its current position in the international sphere. Kenya's export-oriented industrialization strategy via multinational investment is further threatened by countries in Africa, such as Ivory Coast, Niger, Nigeria and Malawi, which compete through their generous tax holidays and offerings of a guaranteed return for investors.[34] In addition, many West European countries, like France, because of their strong neo-colonial strangleholds, prefer to invest in their former colonies. In the near future, other African countries, like Tanzania, which emerge from their socialist experiments and enter the world economy (by conscious choice or necessity) might be expected to squeeze Kenya's competitive international position. The prognosis for Kenya, therefore, does not seem encouraging.

The three paradigms might explain why dependency and growth have not been entirely incompatible in the Kenyan case. Some dependency theorists, like Samir Amin, could argue that Kenya, especially because of its colonial and current special political relations with EEC countries and the United States, constitutes a rare but possible example of a limited upward mobility (dependent development) in the global capitalist system.[35] Others, like Fransman, contend that Kenya's reliance on foreign investment for finance has merely increased its dependency since its balance of payments problems has increased as a result of heavy outflows of surpluses.[36] The developmentalists, in contrast, could

argue that large inflows of foreign investment into Kenya and stable earnings from primary exports, by successfully applying an international comparative advantage, have helped finance its industrialization programs.[37]

Orthodox Marxists, on the other hand, could cite the spread of the capitalist mode of production in Kenya, whether or not externally conditioned. They would favor (here they are at one with developmentalists) letting capitalism run its course until class contradictions become so strong that a violent revolution creates a scientific socialist option.

Dependency: Tanzania

Tanzania, through the principle of self-reliance, has aimed at diversifying trade as well as foreign relations, and has concentrated on internal resources. Yet, even after it launched the policy of self-reliance and diversified its foreign trade, its dependence on foreign aid and grants did not decline (see Tables 10 and 11). This is hardly a surprise given its emphasis on redistribution before accumulation.[38]

It is clear from the following tables that Tanzania has not been able to succeed in becoming self-reliant. Indeed, it has failed to achieve the production targets it had established for itself and to escape the dependency syndrome it has so determined to overcome. The external factors have had a devastating impact on its "African Socialist " policy.

TABLE 10

TANZANIA:
SOURCES OF FINANCE FOR FIVE-YEAR PLAN
(In Millions of Shillings)

	1st plan	2nd plan	3rd plan
Domestic Finance	2,340 (48%)	4,543 (56%)	13,725[a] (51%)
External Finance	2,560 (52%)	3,542 (44%)	13,249 (49%)
Total	4,900	8,085	26,974

[a]Includes parastatal surpluses.

Source: K. Y. Malima, Planning for self-reliance: Tanzanya Third-Five year plan, 1978, p. 8.

TABLE 11

TANZANIA:
FOREIGN AID AS A PERCENTAGE OF GOVERNMENT DEVELOPMENT EXPENDITURE FOR 1975/76-1979/80

(1) Year	(2) Total Expend.	(3) Foreign[a] Aid	(4) (3) as % of (2)	(5) Foreign Aid[b] allocated	(6) (5) as % of (3)
75/76	2590	1413	55.2	836	58.5
76/77	3044	1802	59.2	890	58.5
77/78	3860	2227	57.7	1496	67.0
78/79	5548	3503	63.1	2817	80.4
79/80	7187	4219	58.7	3223	76.4

[a]This figure shows the total foreign aid (in 000s US$) received by the country.

[b]This figure shows the amount of aid fund allocated to various major sectors of the economy.

Source: Makadirio ya Kitabu cha Fedha za serikli, Kitabu cha nne 1975/76-1980/81.

These factors include: the droughts in 1973-74 and 1979-80; higher oil prices; world stagflation; the $250 million expense incurred as a result of the break-up of the East-African Community in 1978; and the $500 million required to finance the Ugandan war in order to get rid of Idi Amin.[39] As a result, Tanzania has been keeping afloat only with the help of millions of dollars a year in foreign aid (see table 11). This is larger than the aid received by any other African country and such aid now supports more than 2/3 rds of its development budget.[40]

Tanzania's attempt to be politically independent or neutral in the contemporary international order, has made it lose a substantial amount of economic subsidy critical for its development programs. While political dependence was minimized, economic dependence, on the other hand, was maximized leading it to economic stagnation because of the country's policy of economic "redistribution before accumulation." This indicates that Tanzania has created a condition unattractive for foreign investors or for clientelistic political relationship with a foreign power. Its show of political independence, though gaining it respect around the world, failed to be translated into real economic independence. As a result, it was made to keep afloat only with the help of substantial amount of foreign aid, especially from the Nordic countries.[41]

To be sure, Tanzania's policy of self-reliance has made remarkable achievements in meeting the basic needs of the

people. For example, adult literacy has increased from about 10 percent in 1960 to 73 percent in 1978. Primary school enrollment increased from about 25 percent of the school age population in 1960 to almost 95 percent in 1980. Life expectancy increased from approximately 34 years prior to independence to an estimated 51 years today. A concerted effort has been made to provide village health care. Approximately 35 percent of rural villages now have clinics, whereas such clinics were virtually non-existent prior to independence. Approximately 40 percent of villages now have clean tap water, again unheard-of prior to independence.[42]

This shows that it is possible for any LIC to mobilize its internal manpower resources in order to enhance the well being of the majority of its people. It also demonstrates the danger of dependency in a sense that the people become largely dependent on the largesse of donor countries. The current change of policy in Tanzania allowing private enterprise to operate perhaps reflects the dilemma confronting it and many other LICs in a similar situation.

Capitalism or Socialism?

Kenya

Another basic question concerns the relevance of the Kenyan and the Tanzanian case for the fundamental debate between the three paradigms over whether free market capitalism or socialism promotes development or underdevelopment. Neither of the two states could be considered

successful in their development paths. Several analysts have argued that Kenya presents a model of successful capitalist development validating the developmentalist approach.[43] Rapid growth resulted in an essentially free market economy that came to be highly integrated with world markets. Moreover, such growth has helped develop an increasingly powerful indigenous class capable of controlling the state and producing a dynamic capitalist transformation, resulting in a faster expansion of production at a lower social cost than any possible alternative pattern or strategy.[44] This export-driven strategy also demonstrates that a developing country can have a decided comparative advantage in international trade and that such an advantage can change fairly quickly--in Kenya's case, since independence from agricultural products to labor intensive light industry and to some extent to more sophisticated capital intensive and technology-dependent products.[45]

Kenya's development has been based on a series of structural transformations, which in large part has been the result of conscious government policy and direction. The domestic economy is far from a laissez-faire free market. For instance, government investment and state corporations continue to play a major role in its economy, and even import-substitution protectionism was continued after the 1974-1977 liberalization and development plan favoring both import-substitution and export-oriented production.[46]

The contribution of the market to Kenya's growth is more complex than the proponents of dependency paradigms are willing to admit. As mentioned earlier, Kenya's success in economic growth can be attributed to a combination of both structural factors in the domestic and international economy and the state's conscious political choices. Of course, previous positive effects of the market are certainly not guaranteed for the future (e.g., the dangers of market dependence discussed above). Indeed, externally, Kenya is becoming increasingly squeezed in the international terms of trade just like the rest of LICs.[47] Internally, the inability of the market to promote income equality through a high demand for labor is a result of the same structural force that shaped the export sector.[48]

Tanzania

Tanzania's development experiences tell a different story. Among its several accomplishments (for instance, in education, health), some scholars point to the remarkable strides it has made toward a more egalitarian society in income and wealth. All capitalists have been challenged, and many displaced. Moreover, the policy of self-reliance and non-alignment has helped Tanzanians make their own decisions on issues compatible with national priorities, though some of this, as we have seen earlier, has been costly. They were able to use to the maximum their domestic sources of resources, such as land and labor, for their own interest. This does not mean isolation from the inter-

national community. Tanzania never severed its link with foreign countries, but continued co-operation with the external world without sacrificing its independence and freedom.[49] Its socialism and self-reliance attempted to disengage the country from the forces that impede development, forces which include capitalism as well as feudalism.[50] It attempted to force the people to be responsible for their own welfare by showing them how best to utilize local resources.

On the other hand, the Tanzanian experience was not entirely anathema to private enterprises. There were and still are "cash-crop farmers and some private commerce and industry which operate independently of state and party."[51] After more than a decade of socialist policies, signs of integrating its economy with the world capitalist system are currently gaining momentum. Since Nyerere stepped down as president in November 1985, and especially since 1986 (a year symbolized by the signing of an agreement with the IMF for $77.5 million to support a recovery program), the state has been putting more emphasis on export growth, tourism and a more positive attitude toward business and investment. Since the capitalistic economic reforms, the economy has shown signs of recovery. But Tanzania still remains a one-party socialist state, with the state still owning all land, banks and many essential industries.[52] A closer examination of the two countries' development paradigms indicates that

far more than the operation of free market and socialism were at work.

Role of State

Kenya

The fact that the state has played a central role in Kenyan and Tanzanian economic growth, or stagnation, has been recognized by scholars of all paradigms. The strength of the state and its relation with the dominant domestic classes are seen by many as instrumental to promoting development.[53] In Kenya, increased agricultural productivity and exports during the colonial period were mostly the result of British policy and settlers' high productivity, which overrode the opposition of traditional, mainly Kikuyu, elites to change and innovation. The weak links between the Kenyan state and the Kenyan settler landlords explain the success of the land reform program in the 1950s and in the post-independence era. Finally, the state's continued leading economic position permitted the transformation, however small, to export-oriented production and subsequently to a more capital-intensive industry orientation despite the negative impact of these changes on existing employment patterns.

Thus, the relatively strong state in Kenya has controlled and suppressed domestic "subordinate" classes,[54] while accommodating the "dominant" classes who would have otherwise opposed and probably sabotaged development

policies. This situation seems to contradict Olson's provocative theory,[55] which says that distributional coalitions use their power to distort the functioning of free markets, thereby promoting economic inefficiency and retarding growth. While Olson's work seems to imply that state intervention disrupts market operations, Kenyans and many other moderately successful LICs use state power to protect the economy from distributional coalitions, even participation in production.[56]

The Kenyan case is consistent with the political institutionalization strand of developmentalist theory that says strong authoritarian governments may be necessary to promote development.[57] However, such a conclusion about the economic efficacy of authoritarian government is overly simplistic, for several reasons. First, the strong regime has limited the power of subordinate classes while enhancing the power of the dominant ones in the domestic society and economy, but this has surely not been in defense of free-market operations as neoclassical economics would have it. Rather, Kenya appears to be an excellent example of a market-driven bureaucratic authority, industrializing regime,[58] which is more akin with recent dependency analyses of "strong states".[59] Second, Kenya also seems consistent with critiques of the neoclassicist approach that stresses political institutionalization, but ignores the tendency of authoritarian governments in Africa to be dominated by

military regimes and/or patrimonial bureaucracies whose values are antithetical to economic transformation.[60]

In Kenya, the state's development strategies and the degree of success were associated with the absence of military control of the regime and the limitation of various disruptive ethnic groups and more traditional bureaucracies.[61] Finally, in Kenya, the developmental process has created almost irresistible pressures from the people for political liberalization and economic democratization. This follows an early variety of developmentalist thought, which contended that economic and social development (growth) almost inevitably create social mobilization and increased demand for popular participation in politics.[62]

This is also what orthodox Marxists call a developed objective condition which is supposed to create favorable conditions for a violent revolution, eventually paving the way for scientific socialism and a dictatorship of the proletariat.[63] Either way, the conclusion seems to be that as development proceeds, political and economic institutionalization may well require increased democratization. The recent Soviet policy to liberalize its economy and its politics (Perestroika and Glasnost) seem, in part, to support the orthodox Marxist claim, and in part to repudiate it.[64]

Refusal to respond to popular demand for democracy may lead to political repression. The ultimate effect is evident in Kenya by the government's preoccupation with

strengthening its position since spring 1982 (before the attempted coup by disgruntled young military officers), against any potential opposition. The state has even changed its constitution in order to legitimize the ruling political party. Opposition groups are suppressed and forced to go into exile or underground, and some leaders and members are in detention.[65] The regime seems to be determined to follow in the same footsteps of other African governments by creating conditions leading to political chaos and economic mismanagement.[66]

It is hard to predict the effects of the current regime's obsession with silencing the opposition and the effects such political paranoia might have on Kenyan performance. Politically, the current trends towards repression might increase the tension within the existing "uneasy collaboration [that exist] between the country's many ethnic groups, the minority commercially vital Asian and European groups, and the new middle class of detribalized Africans prosperity has produced."[67] Thus, it is still an open question whether development will continue to have a reciprocal relationship or whether the political repression will continue and ultimately severely disrupt the relatively good economic performance.

While state autonomy may be considered necessary for successful development, it certainly is not sufficient. Strong authoritarian regimes may well pursue other goals besides development (for instance, mobilization and

organizing of the masses in order to control them), and even counter productive strategies for development.[68] One must go beyond the idea of a strong and autonomous state to attempt to explain the state's multiple positions and its dynamic and contradictory processes. Hence we must analyze other state characteristics, such as the nature of the elites or the "ruling class" that dominate a state and how their interests, and their abilities, promote or retard development.[69]

In Kenya, for example, the structural transformation that has stimulated rapid growth has, in part, occurred as the result of specific policy decisions by the African elites wedded to the status quo. The British colonial administration in collaboration with the white settlers fostered the initial agriculturally based growth, but Britain's exploitative economic relationship with Kenya and the Kenyans meant that further development potential could not be realized until the Mau-Mau uprising and the resulting removal of British rule in the 1950's. The new spurt in agricultural production after independence resulted from a radical land reform program that probably could not have been implemented if the regime had been tied to white settlers in the Highland area. Kenyan's subsequent economic growth was led by an African elite of technocrats who emerged in the 1950s.

Kenya's post-independence development strategy, in turn, was devised by the technocrats not only to maximize

their own political power but also to encourage private enterprise in which most of the rewards were reaped by the African business community, which has close ties with the technocrats. The emergence of prosperous economic elites further created pressures for their greater participation in politics, creating a new sector of electoral politicians. The new political elites are much more repressive and less tolerant of dissent.

Tanzania

In Tanzania, Nyerere, the founder of TANU, was able to realize the importance of moral concerns in politics at an early stage. In reorganizing the objectives of TANU, he tried to orient the political state system to the cultural and moral system of Africans. Nyerere maintained that African traditional society was built on the principles of democracy and participation. He went further in his philosophical foundation of African socialism, to assert that African traditional conceptions of communal cooperation assumed the western notions of Christian brotherhood, liberal democratic self-government and the European socialist ideas of non-exploitation (Fabian socialism).[70]

Nyerere described the features of the future society to be built by taking the principles of African socialism as the basic line of thought for the new political system. Therefore, he viewed acquisition of the formal authority to govern in relation to a government which promotes rights and welfare for the masses. In this respect the apparent

conflict between the interests of the individual and those of the community are resolved by the presumption that the society is concerned with equality, in which everybody is a worker and status comes only with age and doing a job well.[71]

In this concept lies the foundation of distributive justice. Nyerere maintained that government is instituted among people not to secure advantages for a few but to promote the rights and welfare of the many. He then developed the philosophical foundations of a one party democracy. He saw it come from the traditional conceptions of African "core values": communal cooperation. Due to the break in traditionalism because of colonialism, Nyerere realized the need to re-educate and teach the people to cooperate, that is "people to help people," something they had lost touch with during the interim period.

Another important issue was the foundation of decision making in Tanzania, which shall be derived from the African tradition of decision by consensus. Nyerere held that in African society people talked until they agreed (or I might add until one of them dies).[72] Therefore, because to the African the whole purpose of discussion is to agree, it rules out the existence of opposition political parties. Besides, decisions based on agreements reflect public opinion. It is upon the tenets of this philosophy that political organization was tailored in Tanzania. It was also on this tenet that the economic system, particularly

the Arusha Declaration involving villagization and rural socialism, was based.[73]

Assessment

These interpretations of regimes in Kenya and Tanzania, therefore, go well beyond the neoclassical (and structuralist) assumptions that political institutionalization and authoritarian politics can be functional for development. The interpretations are also contrary to the dependency theory's central tenet that elites (national or international) will use their power to block structural development that threaten their economic, political, and social positions. Some of the changes that took place in Kenya and Tanzania resulted from historical circumstances, e.g., the British choice to make Kenya the center of East African community, which benefited it at the expense of Tanzania and Uganda. After independence, however, a key element was, inter alia, the willingness of the dominant elite groups to centralize power in order to promote national development as the modernization process proceeded. This deviates substantially from most dependency assumptions that neglect the internal class relations in the LICs. The delicate ethnic balance in the composition of the political elite that governs Kenya, to some extent Tanzania as well, also runs counter to the view of the orthodox Marxists that deterministically view the state as a superstructure that merely reflects the functioning of the economy at the base.

The specific role of the state in Tanzania's and Kenya's development strategy, therefore, is more subtle and complex than usually presumed by any one of the contending paradigms. The principal policy goal of the Kenyan government has been to maneuver the country into its comparative advantage in the global system based fundamentally on a market economy. Consequently, the government has been relatively "flexible" in terms of its share of resources and direct control of the economy. The state's role then, follows in some ways Haggard's (1986) model of moderately successful LICs,[74] in which state-guided development policies are used to promote comparative advantage rather than to distort market forces in some politically desired direction, though there is an element of this as well.[75] In Tanzania, however, the principal goal of the government is to institute policies of villagization, provision of social services, education for self-reliance, and so on, in order to achieve the transformation of society into the twenty-first century.

Tanzania's attempt to bypass capitalism and follow a socialist (African or scientific socialism) path in order to implement its policy of distribution, has been a recipe for disaster.[76] This seems to give credence to orthodox Marxists, who categorize LICs as feudal or semifeudal, and argue that the latters must first achieve capitalism before they can achieve socialism.

Social Structure and Culture

A final question concerns the impact of culture on development. Neo-classical or modernization theory asserts that the replacement of traditional social structures and cultures with more modernizing value systems is a *sine qua non* for economic change. Kenya and Tanzania provide an interesting variant in that the social structures and cultures can be seen as ones that neither promote equality and development, nor hinder them. This contrasts with the sweeping conclusion made by many neo-classicists about African culture as one which stifles economic and political change.[77]

A consideration of the central element in the Kenyan social structure, particularly the KiKuyu's land tenure structure, indicates that it bears an ambiguous relationship to the development process, because its implications for developmental activities are clearly contradictory. Its principles to permit widespread access to land use emphasizes an individual contribution to collective accumulation.[78] The Kikuyu culture encourages entrepreneurship without the chief as head stifling the economy.[79] Tanzania also suffers very little from such hierarchy hindering its development processes.

For Kenya, the traditional Kikuyu culture was supportive of developmental activities. First, its entrepreneurial spirit has clearly profited from the neo-classical forms of the economy. Second, its stress on

respect but not on authority may explain the political stability (however fragile) that exists today in Kenya, in the face of predictions from supporters of the three paradigms that rapid socio-economic change will create political instability and change.[80]

Thus, while socio-cultural variables can be related to Kenya's and Tanzania's relatively successful growth (development), the relationship is much more complex and multifaceted than the formulations of dependency theory which discount the relevance of domestic culture, or of modernization theory which overemphasizes its relevance, and the orthodox Marxist approach which views massive cultural, economic and political change through class struggle as a prerequisite for successful development. Rather, the characteristics of the indigenous culture appears integral to the respective countries' developmental history. This is significant because traditional cultures have proved much more resistant to change than the neoclassicists originally assumed. Both cases, however, also indicate that more is involved than simply the basic norms in their cultural traditions, since they have elements that support and hinder developmental activities.[81]

Conclusion

This chapter has applied the case of Kenya and Tanzania to several of the central theoretical questions addressed by the competing paradigms. Superficially, all three might

claim to explain the two countries' development as an example of (1) free-market-based industrialization and modernization, (2) "dependent development," or (3) a stage in a transition period from feudal to capitalist mode of production. A closer examination, however, reveals that the positions held by proponents of the three paradigms appear overly deterministic: dependency theory for assuming that certain structural features will inevitably create power differences and undermine growth; neoclassical (and structural) theory for assuming that structural features and relationships to the global economy are necessarily important for stimulating growth and development; and the orthodox Marxist theory for assuming that certain structural features will inevitably create economic disparity in the domestic economy, which in due course will sharpen class differences, intensify the class struggle and ultimately lead to a revolution, followed by a "scientific socialist" option.

Both states have played a dominant role in promoting development in their own unique way. The nature of their external linkages and of the internal alliances are identical with the structures of dependent development in Latin America.[82]

Kenya fits the model of countries using state direction of the economy to promote internal development and eventually establish a competitive market niche in the world economy,[83] while Tanzania uses the state machinery to

advance its policy of self-reliance and rural socialism. The final point, therefore, is that none of the three paradigms discussed fully explain the processes of development. All three lines of argument, as pointed out earlier, appear too deterministic since this facet of the so called "Kenyan success story" compared to Tanzania's story of failure, depend on structural factors (i.e., the nature of dependency and host state of dependency theory) and the choice in development strategies of neoclassicalism, the class interests of the national bourgeoisie, and other factors that may not always be as obvious.[84]

Undoubtedly, all three have made a positive contribution, even though they have failed in explaining the developmental processes fully in the countries concerned. A reconstruction of an all-encompassing theory, capable of capturing the unique condition of Tanzania and Kenya, by keeping in mind the pitfalls of each of the developmental paradigms, is in order. We will next propose a reconstruction of such a theory, based on the Resnick and Wolff use of the concept of "overdetermination."

Chapter 6

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[10]Of course both have different reasons. For the modernization theorists it is because they believe that the international capital is critical for stimulating development in the LICs. For the dependency theorists, on the other hand, it is because they believe that the international capital injected into the domestic economy of the LICs is responsible for causing economic retardation in those countries.

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[43] See George Gilder, Wealth and Poverty (New York: Basic Books, 1981); M. Olson, The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities (New Haven: Yale University Press, 1982); M. Levy, Jr., "Modernization Exhumed," in Journal of Developing Societies, No. 2 (1986), pp. 1-11.

[44] C. Leys, "Capitalist Accumulation, Class Formation and Dependency: The Significance of the Kenyan Case," Socialist Register (1978), pp.241-66; N. Swainson, The Development of Cooperate Capitalism in Kenya, 1918-1977 (Berkeley: University of California Press, 1980).

[45] Meier and Steel, Industrial Adjustment in Sub-Saharan Africa, pp. 53-60.

[46] See Kenya's 1974-1978 Development Plan.

[47] Steven Langdon, "Industrial Dependence and Export Manufacturing in Kenya," in Africa in Economic Crisis, ed. by John Ravenhill (New York: Columbia University Press, 1986), ch. 8.

[48] N. D. Nzomo, "Entrepreneurship Development Policy in National Development Planning: The Kenya Case," in East Africa Economic Review, 2, No. 1, (1986), 99-104.

[49] J. H. Maeda and I. M. Kaduma, "1975: Development through Self-reliance: Towards a New Strategy for Development in Tanzanya," (Paper presented to Dag Hammarskjold Project, Class Struggle in Tanzanya, 1975), p. 36.

[50] I. G. Shiviji, Class Struggle in Tanzanya (London: Heinemann, 1976), p. 36.

[51]H. Bienen, Tanzanya: Party Transformation and Economic Development, (Rev. ed.; Princeton: Princeton University Press, 1969), p. 264.

[52]Christian Science Monitor, May 31, 1988, p. 10.

[53]World Bank, Accelerated Development in Sub-Saharan Africa (Washington D.C., 1981), appendix 5; and Andrew Coulson, Tanzania: A Political Economy (Oxford: Clarendon Press), p. 176.

[54]S. Haggard, "The Newly Industrializing Countries in the International System," in World Politics, No. 38, (1986), pp. 343-70.

[55]M. Olson, The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities (New Haven: Yale University Press, 1982).

[56]World Bank, Accelerated Development in Sub-Saharan Africa, appendix 5.

[57]S. P. Huntington, Political Order in Changing Societies (New Haven: Yale University Press, 1968).

[58]B. Cummings, "The Origin and Development of the Northeast Asian Political Economy: Industrial Sectors and Political Consequences," in International Organization, No. 38, (1984), pp. 1-40.

[59]D. G. Becker, The New Bourgeoisie and the Limits of Dependency: Mining, Class, and Power in "revolutionary" Peru (Princeton: Princeton University Press, 1983); P. Evans, "Transnational Linkages and the Economic Role of the State: An Analysis of Developing and Industrialized Nations in the post-World War Period," in Bringing the State Back, ed. by D. Rueschemeyer, P. B. Evans and T. Skocpol (Cambridge: Cambridge University Press, 1985), pp. 192-226.

[60]G. Roth, "Personal Rulership, Patrimonalism, and Empire-Building in the New States," in World Politics, No. 20, (1968), pp. 194-206; V. Randall and R. Theobald, Political Change and Underdevelopment: A Critical Introduction to Third World Politics (Durham, NC: Duke University Press, 1985), ch. 3.

[61]In Kenya and Tanzania the military is much more apolitical than in neighbouring states, say, Ethiopia. How long it will remain this way remains to be seen. Tanzania has an additional advantage in that it has no dominant tribe, though the various tribes number at least one hundred and twenty.

[62]K. W. Deutsch, "Social Mobilization and Political Development," in American Political Science Review, No. 55, (1961), pp. 493-514; P. Cutright, "National Political Development: Measurement and Analysis," in American Sociological Review, No. 28, (1963), pp. 253-64.

[63]Bill Warren, Imperialism, Pioneer of Capitalism (London: Verso Books, 1980).

[64]Esther Kingston-Mann, "'Perestroika' with a Human Face?," in Socialist Review, 18, No. 1, (January-March, 1988), 8-25.

[65]Index of Censorship, (January, 1987), p. 25.

[66]The Economist, July 25, 1987, p. 36.

[67]Ibid.

[68]S. Haggard and C. Moon, "Industrial Change and State Power: The Politics of Stabilization and Structural Adjustment in Korea," (presented at the annual meeting of the American Political Science Association, Washington, D.C., 1986).

[69]J. G. Ruggie, "Introduction: International Interdependence and National Welfare," in The Antinomies of Interdependence: National Welfare and the International Division of Labor, ed. by J. G. Ruggie (New York: Columbia University Press, 1983); Haggard, "The Newly Industrializing Countries in the International System," pp. 343-70; S. Resnick and R. Wolff, eds., Rethinking Marxism: Struggles in Marxist Theory (Brooklyn, NY: Autonomedia, 1986).

[70]Julius Nyerere, Ujamaa: Essays on Socialism (London: Oxford University Press, 1968).

[71]Ibid.

[72]Ibid.

[73]See the discussion in the preceding chapters concerning Tanzania's strategy for development.

[74]Haggard, "The Newly Industrializing Countries in the International System," pp. 343-47.

[75]C. A. Johnson, MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975 (Palo Alto, CA: Stanford University Press, 1982).

[76]Babu M. Abdurahman, African Socialism or Socialist Africa (London: Zed Press, 1981).

[77]W. W. Rostow, The Stage of Economic Growth: A Non-Communist Manifesto (Cambridge: Cambridge Press, 1960); Arthur Lewis, "The Diffusion of Development," in The Market and the State: Essays in Honour of Adam Smith, ed. by Thomas Wilson and Andrew Skinner (Oxford: Clarendon Press, 1976), pp. 136-37. Their political counterparts, who were mainly influenced by the writings of Talcott Parsons and Max Weber, include Gabriel Almond (Almond and Powell, 1966); A. E. K. Organski (1965). These books exemplify the emphasis on structural-functionalism. Another author which deals with stability, which is based on Parsons' writings is David Easton (1953 and 1959). Among the orthodox Marxists it suffices to mention the works of Marx, Lenin and Maurice Dobb.

[78]See Rada and Neville Dyson-Hudson, "Subsistence Herding in Uganda," in Scientific American, February, 1969, pp. 76-89; John Middleton and Greet Kershaw, The Central Tribes of the Northeastern Bantu (London: International African Institute, 1965), pp. 23-29, 46-53; Jomo Kenyatta, Facing Mount Kenya: The Tribal Life of the Kikuyu (London: Secker and Warburg, 1961), p. 26.

[79]Peter Morris Anthony Somerset, African Businessmen: A Study of Entrepreneurship and Development in Kenya (London: Routledge and Keagan Paul, 1971), ch. 2; see also Michael Cohen, "Differentiation in a Kenya Location," East African Universities Social Science Council, No. 16 (Nairobi, 1972), pp. 2-3.

[80]M. Olson, "Rapid Growth as a Destabilizing Force," in Journal of Economic History, No. 23, (1963), pp. 529-52; S. P. Huntington, Political Order in Changing Societies (New Haven: Yale University Press, 1968); G. O'donnell, Modernization and Bureaucratic Authoritarianism: Studies in South American Politics (Berkeley: Institute of International Studies, University of California, 1973); and Bill Warren, Imperialism, Pioneer of Capitalism (London: Verso Books, 1980).

[81]M. Weber, The Protestant Ethic and the Spirit of Capitalism (New York: Scribner, 1958).

[82]Andre G. Frank, Capitalism and Underdevelopment in Latin America (Harmondsworth: Penguin Books, 1969).

[83]R. Hofheiz and K. E. Calder, The Eastasian Edge (New York: Basic Books, 1982), ch. 6; B. Cummings, "The Origin and Development of the Northeast Asian Political Economy: Industrial Sectors and Political Consequences," in

International Organization, No. 38, (1984) pp. 1-40; S. Haggard, "The Newly Industrializing Countries in the Internatioinal System," in World Politics, No. 38 (1986), pp. 343-47.

[84] We hope to remedy this with our proposal of the use of the concept of overdetermination in our analysis of the development path of LICs.

CHAPTER 7

TOWARD A NONESSENTIALIST DEVELOPMENT PARADIGM

Introduction

In the last chapter we demonstrated that, in spite of some utility, there are fundamental conceptual and methodological difficulties involved with the theoretical assumptions of each of the three paradigms. As a result we have shown that each paradigm, by itself, fails to fully explain the development problems of Kenya and Tanzania.

We also demonstrated how each of the contesting positions within each of the paradigms, and the debates between them, proceeded from empiricist and rationalist epistemological points of view. All the participants in the debate argue from a common epistemological standpoint: they presume a basic dichotomy between reality (facts, experience, history, etc.) and thought (theory, concepts, ideas, etc.). They claim, in reference to development that the more wealth the more development. They seek to produce knowledge that is aimed at capturing an objective reality.

For instance, from an empiricist--Marxist--perspective, a theory is validated or invalidated by appeal to an independent measure of "facts" or "history." We have already shown each of the theorists' rejection of the

others' assumptions, by an appeal to "let the facts speak for themselves" and "let history show" arguments. Because each theory removes the others' supposed "inaccurate" assumptions, each thought its theory to be "superior" to that of the others and the only one that permits a "correct" path to development. But each theory's focus misses the influence of other important processes on development and underdevelopment, including the essence of one theory being repressed in another.

On the other hand, many of the issues of development debated are argued from a rationalist point of view. Resnick and Wolff summarize the Marxian rationalist perspective:

> Its proponents operated from the presumption, however grounded, that Marx discovered the truth of social reality, that his theory captured, and thus was identical to, the essence of that reality. For them disputes over that reality then properly reduced to disputes over the precise specification and formulation of that theory.
>
> ...Granted such identity, such "truth," it follows that Marxist theorists so persuaded would and did devote themselves to producing ever more rigorous statements of the logic of Marxist theory with special emphasis on precisely defining and resolving the logical contradictions, inconsistencies, or lacunae which they discovered in that logic. It also follows that a rationalist standpoint will likely emphasize textual quotation from Marx over other kinds of evidence brought forward in support of its statements.[1]

Numerous examples of a rationalist influence in both the dependency and orthodox Marxist paradigms abound. For example, Warren's criticism of the dependency theorists is based of his understanding of Marx's theoretical positions,

according to which the structure of forces and relations of production are the "determining element" of the inequalities between nations. According to him, the essence is given by Marx's formulations and they alone can take us to the level of reality. In short, the Marxist theorists understand Marx's theory to have discovered the truth of social reality. The debate then reduces to arguments over the proper specification of the logic of that theory.

Frank and Immanuel also share this rationalist view. It is only because they have the "correct perspective" that they are able to, through their theoretical reasoning, bring thought into correspondence with the reality: i.e., deduce the conceptual logic which structures the world system. This perspective reveals their acceptance of a separation between subject and object of knowledge. It reveals, moreover, their rationalism. Because they have the "correct perspective," they are able to construct theories which will lead them to discover the true logic of social reality.

In this chapter, we offer an alternative approach which distances itself from all the three approaches in two important ways. The first concerns our choice of theoretical entry point. The second concerns our rejection of the notion of an "essence"--an externally related cause of other processes. Our alternative way of theorizing will allow us to bring to the forefront elements that are often repressed by the previous paradigms (due to their methodological differences), in determining (overdetermining) the processes

of development not only in Kenya and Tanzania, but in other LICs as well.

To this end, first, we will explain the main conceptual components of the alternative paradigm we think have broader and flexible explanatory power and compare them with those of the paradigms critiqued so far. Second, we raise epistemological issues associated with our alternative paradigm to highlight its differences from the epistemological standpoints of the others.

At this juncture a word of caution is in order. Our alternative theorizing should not be seen as a theoretical breakthrough ready to remedy the theoretical deficiency inherent in the methodology of the paradigms examined. We reject such authoritative claims. To do that would be to fall into the same essentialist trap the theories we have been criticizing had fallen into.

Our aim is two-fold. First, to supplement our deconstructive work in chapter six by contrasting the conceptual tools (components of their paradigm) used by the three paradigms to that of our own. In other words, the inflexibility of each of the paradigms examined to accommodate other theories will be emphasized further. Second, to reverse the hierarchically arranged theoretical constructs based upon pairing concepts like base/superstructure, traditional/modern, dependent/ underdevelopment, and bourgeoisie/proletariat, which are considered undesirable

and inconsistent, in order to stress what essentialists desire to stress.

Our alternative theorizing proceeds without "privileging" any aspects of the processes of development. It advocates a different entry point, a different method of explaining it, and a correspondingly different conception of the development process. Our position that society is an ensemble of mutually constitutive processes rules out privileging any aspects of the processes of development. Any one process (including class process), hence, is one among the various "overdetermined" processes (see below) of what constitutes life. In short, our goal is a modest one: to identify and criticize essentialisms in theory and to suggest different directions than what is currently dominant for analyzing the problems of political and economic development in the LICs.

Epistemological Standpoints

The Concept of Points of Entry

The variety of conceptions of development which we encountered earlier are different in part because of the different points of entry taken by theorists. "By entry points," said Resnick and Wolff, "we mean that particular concept a theory uses to enter into its formulation, its particular construction of the entities and relations that comprise the social totality."[2] Thus, the knowledge produced by each theory is as different as the entry point

and logic used to construct that knowledge. Each of the paradigms reviewed thus far embrace an essentialism in its theory. Moreover, each also offers its entry point as the focus of its knowledge production and as the determinant of the structure and dynamic of society.

The neoclassical theory--a theory which is constructed from the point of view of scarcity and choice--will produce a different knowledge than the orthodox Marxist one which begins from the point of view of a contradiction between forces and relations of production. These in turn produce a different knowledge than the dependency theory which begins from a point of view of power and dependency. The entry concept each theorist adopts is seen as an "essence" to which phenomena are related as its effects.

The alternative paradigm uses the notion of class as the production and appropriation of surplus labor--its unique conceptual entry point around which it organizes its theoretical logic and explanation. Unlike the three paradigms, the alternative theory does not let its entry point function as an essence. The class process, therefore, is only one among the various "overdetermined" processes. It influences and is influenced by all other processes. The paradigms, such as the neoclassical, on the other hand, repress the class process or simply dismiss it as useless in social analysis.

Overdetermination

This concept is used to distance the conception of causation in our alternative paradigm from the other three, in which their theoretical assumption leads them to the conclusion that one aspect of a "social formation"[3] determines all the others as its phenomenon. "Overdetermination" is a relational concept referring to a ceaseless change and development. In this view, every social activity (political, economic, cultural, ideological) or relationship among people is conceived to be the site of the converging effects emanating from all other natural and social processes, each distinct and inseparable. In this formulation, no one process or group of processes is reducible to a simple effect, and cannot be understood as deterministically affecting any other or others. None can be understood as "dominant," "dependent," "developed," or "underdeveloped" or as an "essence" of a social formation. (With all other processes as being understood as their epiphenomena.) Hence, the social determination of any process is always its overdetermination. Each process exists only as the overdetermined outcome of all the other processes constitutive of the social formation, processes which continually provide its "conditions of existence."[4]

Moreover, each process is complex in its own unique way, depending upon a correspondingly particular set of contradictory pushes and pulls exerted upon it. Each is internally contradictory because it is subject to the

influences of all other processes. The unique constitution of each gives it a "relatively autonomous"[5] status because it is overdetermined in a particular way by others, which may well be uneven in their level of development and in their social formation. In this conception, therefore, all social phenomena are interconnected in multiple ways (overdetermined), so that no one of them is unambiguously either the cause or the effect of another.

Thus, in our approach, the transition from LICs to ICs is not dependent on, as neoclassical theorists (both in political and in economic sciences) posit, by a change in individual wants and productive capabilities as the primary economic categories, or, as orthodox Marxists argued, by regarding all others including the political processes as derivative from them. Nor does it depend, as the dependentistas' claim, by poor countries being poor because the rich and powerful countries "exploit" them. Such claims are deterministic, therefore, and of inadequate value in explaining a development problem that is complex, dynamic, contradictory and overdetermined.

The concept of overdetermination, therefore, rejects the conceptualization of any one process or group of processes, including "class" process (a concept which we will define below) as the essence of social formation, while considering all other processes, independent of a conceptual framework, as epiphenomenon. This concept will also enable us to conceptualize the dynamic of each process as the over-

determined outcome of the effects of all other processes. Each overdetermined process also is part of the over-determination of all other processes in the social formation. It admits of no basic dichotomy between reality material and thought. In short, overdetermination enables a theorist to understand social life as a whole and rejects a neutral process of observation. Knowledge is produced within the context of particular conceptual frameworks which are always overdetermined.

Thus, the processes of development in LICs cannot be fully understood, in our view, as the product of any one source of determination, as the product of an essence, or the logical product of a certain primary contradiction. Our approach distances itself from the three paradigms which locate an essential cause or origin of development (or nondevelopment) in the LICs. We reject the notion of such singular truth claims. In our view, development, like any other social process, is the site of the combined effects emanating from all other processes. Moreover, because theory is part of this process, every theoretical work will exert particular effects upon these processes and thus in their change and development. The analyses of development in this theory has no place for any a priori determinism as the paradigms thus far examined suggest.

Classes and Conditions of Existence

The three paradigms conceptualized development differently, in part, because each one chose a different "point of entry."[6] A theory which is constructed from the entry point of individual preference, scarcity, or political power (as neoclassical and structural theorists do), will produce a different knowledge than one which begins from the perspective of "relations of production" or "mode of production" (as orthodox Marxists do). To choose a theoretical entry point and particular conceptual tools is to specify the parameters of the logic of the theoretical arguments. Our chosen point of entry in this theory is the concept of class process.

The concept of class in our approach is different from those used by numerous other theorists (both orthodox Marxists and non-Marxists) from a variety of disciplines. To mention a few, there are those who use class to designate groups of persons in society according to the political power or authority (for instance, ruling class) they hold in a particular society.[7] Others use class to designate groups who possess varying quantities of property (as in propertied class).[8] Still others designate class as groups who share common social positions (for instance, working class, middle class, upper class, underclass, lower class et al).[9] In short, the narrow concepts of class are imbued with ambiguity because of the different understanding of various theorists, who focus on a reductionist (deterministic)

production of theory. We reject the definitions of class as either political power or property concepts for their deterministic and essentialist approach.

Fundamental Class Processes

This process involves the performance and appropriation of surplus labor in the form of surplus value from direct producers.[10] It is a particular form of process in which agents may participate either as performers of surplus labor, or as appropriators (extractors) of surplus labor or both.[11] This process defines two class positions: the creators of surplus value (Marx called them "productive laborers") and the initial appropriators of that surplus value (Marx called them "industrial capitalists"). Unlike the previous theorists' concept of class as social groups or individuals, the capitalist fundamental class process[12] is conceived of as only one social process in the life of human beings. In this sense, agents are not rigidly defined as participating only in fundamental class processes, but also as participants in the performance, appropriation, or both of the social processes. The position held by these agents as they play their specific role is called "class position."

This process can exist only in so far as other equally important social processes (political, cultural, physical, biological and others) are in place.

The performance and appropriation of surplus labor is overdetermined by economic processes such as the purchase and sale of commodities and legal tender, by political

processes such as the adjudication of disputes concerning contracts and private property, and by cultural processes such as religion and education. In short, the capitalist fundamental class process is overdetermined by (and, in turn, participates in the overdetermination of) the non-class processes that distinguish one fundamental class process from another.

Subsumed Class Processes

Once surplus is appropriated by the capitalist it is distributed to finance some of those social processes that overdetermine the fundamental class process. For example, the industrial capitalist may distribute portions of the appropriated surplus value to merchants, money-lenders, stock owners, and state officials who participate in processes that secure the "conditions of existence" of the original appropriation of surplus value. This process of distributing and receiving surplus value, as against the process of producing and appropriating surplus value, can be called the capitalist subsumed class process.[13] The fundamental class processes (economic life) cannot exist without the existence of the subsumed class processes (the political life) or vice-versa. We should point out that the placement of the political life under the subsumed class does not suggest that it is in any way less important than the economic life. Here, elements in both categories are equally important.

Such a distinction will help us identify and differentiate complex and contradictory class and non-class processes. Contrast this to the other paradigms which structure concepts simplistically "in opposed pairs in zero sum relation,"[14] like the exploited and the exploiters, the developed and the underdeveloped. In the process, they obfuscate other dynamic, complex and contradictory aspects of social life that take place behind the paired elements. More important, our way of conceptualizing will help us avoid the notion held by the other paradigms that all ICs which have political and economic ties with LICs somehow have a one-way exploitative economic relationship to either siphon off profit from them or help them develop. To consider such a relationship as either exploitative or advantageous to one group or another without distinguishing the fundamental from the subsumed class and non-class processes is to ignore the complex class and non-class differences (and relationships) involved. Indeed it is a simplistic way out.[15]

Non-class Processes

To discuss class processes necessarily involves knowledge of international relations and other non-class processes. In the works of Resnick and Wolff (from whose work this chapter has drawn), non-class processes mean social processes in which agents in a society participate in what is regarded as one of the requisites for the "conditions of existence" of a fundamental class process in a

social formation.[16] For example, not only the state (an institution that provides economic, political, and cultural processes which are conditions of existence of the fundamental class process), but also merchants, managers, and bankers are such agents who may be regarded as participants of non-class processes. These agents require a share of the surplus labor in order to participate in them. Thus, they are also referred to as being subsumed to the fundamental class processes because they condition and are conditioned by it. In short, a flow of value which does not represent the sale of productive labor power, the direct appropriation of surplus value, or the initial distribution of surplus value, is viewed as non-class payments.

Any one agent may occupy all, none or any combination of these class and non-class positions during the course of a day, a year, or a lifetime. Not only that, but an agent may also occupy different and conflicting class positions simultaneously.[17] Agents who occupy fundamental class positions as appropriators (first claimants) of the surplus labor, also may participate in the subsumed class process as first distributors of surplus labor. There are thus two different (yet mutually conditioning) agents who occupy the subsumed class: those who occupy the fundamental class position and those who participate in the non-class processes.

This means, in contradistinction to the three paradigms, the concept of fundamental and subsumed class or non-

class processes and of overdetermination provide us with a framework within which the class and non-class process in a capitalist or non-capitalist, internal or international social formation, can be theorized. In this formulation, a transition from an LIC to an IC (be it socialist or capitalist) would depend not only on state intervention in every sphere of people's life (as Tanzania and to a lesser degree Kenya attempted to do), but also on all the other processes (political, cultural, economic, environmental, and international relations) in the society at the moment when such transition is said to take place.

Epistemological Issues

The last chapter has shown that a particular choice of entry point through which the three paradigms made sense of the development path in Kenya and Tanzania excluded certain aspects of development, thus leading each paradigm to reductionist conclusions concerning the solutions to development. Our alternative approach utilizes a different entry point and different conceptual tools; consequently a different way of making sense out of a social life in a given social formation at a given moment, but not through reductionism and essentialism.

Kenya and Tanzania can serve to underscore the significance of the specificity of the concepts we utilize and our definition of class and its anti-essentialism. The two countries indicate that "theoretical discourse" within the

traditional analysis of either one of the three paradigms is too deterministic to fully comprehend the complex and dynamic processes of development. Why are the paradigms we critiqued so deterministic? How do we understand the theoretical differences between those we critiqued to that of our own? We answer these questions by way of a brief discussion of the epistemological (theories of knowledge) basis--either empiricist or rationalist--on which the various paradigms in question rest.[18]

Empiricism

The empiricist perspective attempts to validate a social science by relying on data (which it regards as "facts") on observations which it considers as a given, independent of human thinking. If the data culled fits well with the theoretical positions then the theory has achieved the truth or close to the truth of the reality.[19] Scholars of such theoretical persuasions attempt to validate a theoretical discourse (against another) by appeal to a set of neutral facts that represent an objective reality, a truth given, and independent of the theoretical framework they are supposedly validating. The reality, in their view, may be known through some form of neutral process of observation.[20] All facts gathered by this means are regarded as "value free" or neutral, and presumably right.

Rationalism

The second reductionist epistemological standpoint is rationalism. Like empiricists, the proponents of this

theory insist that there exists only one truth of social reality, and that the task of a scholar is to discover it.[21] Unlike empiricists, however, rationalists contend that there exist a priori principles of reason by which proponents of rationalism are guided in their activities to produce knowledge.[22] Human reason is viewed as the standard by which facts are judged, rather than the other way round as advocated by empiricists.[23] Put differently, rationalists argue that knowledge is the product of human reason (thought-concrete), rather than the product of accumulated facts (concrete-thought) as contended by empiricists.[24]

They view the theories they construct as true expressions, embodiments, of the essence of the concrete social aspects their theory attempts to capture. In this view, the logic which structures the real (its reason) can be gradually arrived at by careful attention to conceptual logic (human reason). Like empiricists, rationalists proceed from the assumption of a separation between the subject and object of knowledge. Hence an object of analysis is independent of a conceptual framework.

Since we view all thinking as overdetermined by other social processes, there can be no essentialism of theory consistent with the alternative method. We thus reject rationalist and empiricist theory. Validity criterion, in the alternative perspective, is always internal. "Facts" or concepts are viewed to have meaning only by virtue of the framework from which they are socially constructed. Which

"facts" are selected, discussed, ordered and which are not is a process of and in theory. We do not, however, reject empirical testing (theories are forever testing, revising, and elaborating their discursive statements and such an activity always involves the selection, ordering, and relating of old and new facts) as long as it fits into a theoretical framework. If the activity of theorists is intertwined with the object which they are theorizing about, then rationalist and empiricist formulations must be rejected.

In our view, knowledge production is a product of the mutual interaction of the empiricist and the rationalists (and perhaps even some other processes which we have yet to discover), rather than the product of mere reflection of either one or the other (or, a reduction of the various complex aspects of social life to a mere phenomenon of an essence).[25]

Epistemological Terrain of the Debate

The position of each of the contending paradigms, and the debates between them, are seen to proceed from empiricist and rationalist epistemological points of view. All participants in the debate argue from a common epistemological standpoint--they presume a basic dichotomy between reality. They produce knowledge that is aimed at capturing an objective reality.

From an empiricist perspective, a theory is validated (and others invalidated) by appeal to an independent measure of "facts" or "history." We have already noted neoclassical economists' rejection of several orthodox Marxists and dependentistas arguments concerning the phrase "the facts indicate" (i.e., by measuring the GNP). As a result, the neoclassicists view their theory as "superior" to that of the orthodox Marxists and dependentistas, and the only one that permits a correct understanding of the problems of development in the LICs. This is evidence of their reliance on an empiricist epistemology.

Several instances of a rationalist influence in the "underdevelopment" debate can be detected. Most of the criticisms by orthodox Marxists of other paradigms proceed from this standpoint. For example, orthodox Marxists criticize dependentistas for not accepting "Marx's theoretical position" according to which the structure of forces and relations of production are the "determining element" of the inequalities between nations.[26] Because dependentistas misread Marx's concepts, they improperly specify the truth of social reality and direct us toward "unrealistic reformist positions" (the correction of inequality by delinking relationships with the ICs). In the views of orthodox Marxists, the solution to unequal development lies only in a "revolutionary transformation of production relations with the subsequent development of the productive forces." According to this school, the essence is given by

Marx's formulation and it alone can take us to the level of reality.

The epistemological terms of the debate, in this instance, is rationalist. The theorists involved understand Marx's theory to have discovered the truth of social reality. The debate then reduces to arguments over the proper specification of its logic.

It is the connection between epistemology and political practice that renders this a key issue in the present critique. Throughout this dissertation we have illustrated the manner in which the epistemological standpoint from which a theorist constructs his/her knowledge. We have illustrated in each paradigm the political consequences (policy prescriptions) that derive from theory. Logically, the political practice prescribed by the theorist must be called into question if the epistemological position that informs it is rejected.

A few examples will shed more light on these essentialist claims. For instance, neoclassical economists believe that the aim of development in the LICs is to primarily modernize (economic growth) the urban sector so that it will serve as an "engine of growth" for the country as a whole.[27] Neoclassical political developmentalists also suggest that strong authoritarian or military governments may be necessary to facilitate development.[28] Dependentistas argue that, given the current economic relations between the ICs and the LICs, the perpetuation of underdevelopment or

dependence is the most likely outcome because of the unequal power relations (itself viewed as a reflection of the economic difference) between them.[29]

Orthodox Marxists too conceptualize relationships between nations and between classes (limited definition of class) mainly in terms of economics. They argue that the relationship between the ICs and the LICs necessarily leads in the latter to the extraction of "exploited" surplus labor which gets appropriated by those who own the means of production.[30] Such a process, will inevitably lead to a revolution resulting in a change in the superstructure (the political) in favor of the working class.[31]

This school encourages foreign investment of capital, much like neoclassicists, to enter the LIC's market in order to promote capitalist development and eventually bring about a proletarian revolution. Paradoxically, as stated earlier, neoclassical and orthodox Marxist paradigms resemble each other, for both claim that the economy determines all other aspects of social life, including the political one.

All the paradigms support their theoretical positions and affirm their theoretical truth claims by relying on either the rationalist or the empiricist method. But a closer look at the development experiences of Kenya and Tanzania shows that none of the three paradigms that utilize exclusively the rationalist or the empiricist method have succeeded in capturing the dynamics of development. And yet, it is such essentialist paradigms that dominate the

development plans of many LICs, plans that hope to overcome poverty and "underdevelopment" with a minimum of structural changes.[32]

The practical impact of such essentialism has led LICs to serious political and economic development difficulties. For instance, the strategy of most dependentistas regarding change and development in LICs, which includes the nationalization of the means of production with which they hope to facilitate the distribution of the produced surplus among the people, has not been successful. Nyerere's Tanzania or Kenya's neoclassical development path attest to dismal failure. The most disappointing of the three paradigms is the orthodox Marxists, which constructs its theory in such a way that change and development are the consequences of a simple contradiction (crisis) between the forces of production (read technology) and relations of production (read politics and economics), according to a predetermined blueprint.[33]

In our view, the three paradigms focus on (privilege) economic events and reduce change and development to a consequence of only economic crises. Our alternative approach is unequivocally anti-essentialist and employs no a priori or posteriori arguments for development to take place in LICs at all. We reject the notion that any one aspect of societal life, from the infinite set of class, culture, power, technology, resources, environment, and capital, could be the "determining" essence of the rest. In our

approach, none of these individual aspects of life is understood to exist by itself, but rather by a site of the combined influences emanating from all the others.[34]

The concept of overdetermination and the notion of "relative autonomy,"[35] outlined above, provide a non-essentialist explanation of the crucial problem(s) of regime change and development in LICs. In this approach, a social process can be regarded as relatively autonomous in the sense that this site is constituted by contradictory effects within and between social processes, thus giving the site its own distinctive dynamic. This concept is cast in terms of the Marxist notion of the "uneven development" of social processes.[36] A social formation is reproduced in so far as the social processes (class and non-class) that comprise it, and which are relatively autonomous and, hence, unevenly developing, are reproduced. Also each of these contradictory sites evolves and develops (reproduces) at its own rate.[37]

It is here, where class and non-class struggles, centering around the production-appropriation (economic process) and distribution of surplus labor (political processes), take place. In this approach, we reject a rank-order, such that one element exists prior to the other or one element determines the other. (For instance, orthodox Marxists claim that the base [the economy] determines the superstructure [politics]).

In our approach, societal struggle, transition and development depend on the class and non-class processes, and the cumulative buildup of contradictions (crisis) within these processes, which triggers, though not necessarily, the collapse of the original structure (for instance, the feudal structure faced by capitalist structure).[38] In this process, a number of other elements--culture, language, religion, environment, international relations--also play a role and affect the outcome. The effect it may have varies for different countries in different situations. In some, where a particular constellation or "conjecture" of class and non-class process takes place, its particular relations with other countries may prove explosive; while in others, where a different mix takes place, the opposite might be true.

One outcome of such multicausal, overdetermined, analysis is that it prohibits a priori even the possibility of any general analysis of the causes of social revolution. Historical revolution and change cannot be reduced to, as the neoclassical theorists suggest, individual preferences and technology or, as orthodox Marxists argue, to a mere contradiction and struggle between two antagonistic classes. Nor can it be reduced to a mere power relationships between powerful and weak nations as dependentistas will have it. In our theoretical formulations, transition and change cannot be considered inevitable according to a predetermined pattern.

In this dissertation, and in the works of Resnick and Wolff, structural changes in a society occur as a result of heterogenous overdetermined and overdetermining domestic and international processes.[39] Every one is indispensable to the outcome. Since these processes always change and are unpredictable, this theory dismisses other theorists' claim to have a reliable blueprint for understanding revolution, development and change. In our theoretical formulation, such phenomenon can only be understood by examining events in specific social formations, at a specific moment, by using "key relational concepts," such as overdetermination, class and nonclass processes, central to the overdeterminationist concepts of change and development.[40] These conceptual tools provide us with an understanding, a temporary one at that, of what specific mix of contradictions or crises are responsible for any transition and development in LICs.

In the same vein, the idea of "exploitation" cannot be reduced to a generalized relation of domination/dependence (Frank) or a result of orthodox Marxist school emphasizing the opposition of performer/appropriator to extractor. Most dependentistas' account of imperialist exploitation is simplistic. For them, it means a situation where a powerful metropole siphons off the surplus material of a satellite through the medium of MNCs or other agency, by applying various forms of political coercion (a reflection of the country's power), deceit, and trickery in the process of

international commodity and capital flows. Some of these forms of exploitation specified by dependentistas include low wages paid by MNCs to workers in LICs and unequal commodity exchanges between the LICs and ICs in favor of the ICs, as a result of the monopoly position held by the MNCs based in the ICs.[41] Each one of these is considered to be responsible for the ongoing plight of LICs. But a quick glance at the development experiences of Kenya and Tanzania shows that international relations is not a zero sum game. Contrary to dependentistas claim, Kenya, by allowing MNCs to operate in its economy, has not necessarily been exploited (in a Marxist sense) though it may have lost a nonclass payment. Tanzania, by contrast, has prohibited MNCs from operating in its socialist economy. Its closed door policy, however, did not result in a self-reliant economy as the dependentistas has predicted. Instead, Tanzania became even more dependent on foreign aid for its socialist programs.

We too understand Marx's concept of exploitation to refer specifically to the performance and extraction of surplus labor. The exploitation to which the others refer to is not, in our view, exploitation in the Marxist sense because the international exchange of commodities between individuals does not occur as part of the process of surplus labor performance and extraction. Unequal development due to unequal exchange, for example, wherein the wealth gain for one country implies a loss for another, does not involve the production of surplus value and thus no exploitation.

Whereas for proponents of unequal exchange, like Emmanuel, monetary flow is an index of exploitation, in our conception it is a nonclass process which may or may not influence the process of exploitation. It follows that the elimination of unequal exchange via delinking or some other means (and thus a gain for the periphery in the dependentistas discourse) would not, in our view, imply any necessary change in the rate of exploitation (and thus no gain or loss).

Our theoretical approach, using class and non-class processes combined with overdetermination as analytical conceptual tools for analyzing a society, provides us with a broader understanding of the concept of exploitation, development, and change. Our approach recognizes the importance of the other three paradigms because conceptual tools deployed in our paradigm enable us to break loose from the narrow conceptual tools the others rigidly employ. Moreover, it enables us to be flexible in our development theory. From our perspective, dependentistas proposals to end unequal exchange not only would not necessarily decrease exploitation within the present approach. It could conceivably increase the rate of exploitation.

Consider the following hypothetical situation, to illustrate the essentialist position of the other paradigms. Let us suppose, for a moment, that a British capitalist establishes an enterprise in Kenya employing Kenyan laborers. If the "surplus value"[42] extracted is initially appropriated by the British capitalist, then, according to

this alternative theory, the Briton occupies a fundamental class position. In this case, the British owner exploits the Kenyan laborers: from this theoretical perspective, exploitation does exist. Because commodity production in Kenya is feudal, the capitalist also occupies a feudal fundamental class position. For him to occupy such a dual or multiple class position requires the presence of capitalist and feudal subsumed classes as well as non-class processes as their conditions of existence.

But it must be borne in mind that such exploitation does not exist in a vacuum. Contrary to the other paradigms' claim, exploitation exists not just because some economic surplus is extracted and appropriated by one group or another, but also because of the dynamics of numerous other political, economic, cultural processes that affect exploitation.

Let us further suppose that the British capitalist turns over the ownership of his enterprise to the Kenyan nationals, and receives only rent from the latter for the right to sell the produced commodities. In this instance, as in the previous one, commodity production continues, but now the surplus labor is appropriated by the Kenyan capitalist. In our theoretical formulation, the former British owner now occupies a capitalist subsumed class position.[43] Nevertheless, the exploitation of the laborers continues unabated.

These examples illustrate that a foreign capitalist penetration in LICs economy and its profits does not necessarily mean that, as many dependentistas assert, foreign exploitation exists. To conclude as such, without closely examining the complex processes in the LICs, is to reduce the complexity to a mere phenomenon created by exogenous means. Such reductionist claims have forced dependency theorists to make exaggerated conclusions like the delinking of trade relations with the ICs as a solution to the problems of development in the LICs.

These examples illustrate the dynamic and complex nature of the processes that determine exploitation. It also suggests that agents (societies) are not static. They may change from occupying a fundamental class position to a subsumed class position, or even occupying several conflicting class positions simultaneously.

They also should illustrate how our alternative theoretical approach offers, inter alia, a broader and more flexible understanding of the complex relationship between ICs and LICs, and the social whole within LICs as opposed to the deterministic approaches taken by neoclassical developmentalists and orthodox Marxists. It is also meaningless to merely show the presence of MNCs operating in a foreign land, and suggest, as many dependentistas do, that it is an instrument of exploitation.

MNCs, in our alternative approach, are understood to be an overdetermined site of struggles and political alliances

among contradictory domestic and foreign classes and non-classes. Hence even if LICs successfully carry out the nationalization of MNCs (e.g., Tanzania), this does not eliminate the flow of surplus value in the form of shares (profits) to occupants of subsumed and non-class positions; indeed, it may even increase it. Current problems of Kenya and Tanzania best illustrate that there is no shortcut to a sustainable development in today's LICs.

An attempt to redistribute wealth, as in Tanzania, may even set in motion complex effects and lead to an increase in exploitation if, for example, sales of traditional exports fall off as a result of tax increases, compelling exporting firms to lower their prices and costs, via an increase in the rate of exploitation. A wealth redistribution could interact with other processes in a variety of ways to influence exploitation.[44]

Class or non-class conflict over the appropriation and distribution of surplus value, as well as class or non-class interaction, in any social formation are complex, contradictory, and changing. The understanding of any social formation requires the employment of enriched concepts, such as those deployed by Resnick-Wolff, who offer an alternative which could remedy the theoretical deficiency created by the preceding theorists' deployment of narrow conceptual tools.

The use of overdetermination concept as an analytical framework will also prevent theorists from making such

statements as that surplus absorption, unequal commodity exchange, or simply the direct exercise of imperial power will perpetuate dependency, freeze the international division of labor and make it impossible for industrialization to take place in LICs.[45] We have seen how this logic led Frank and his cohorts to conclude that LICs must delink or decouple from the capitalist world system if they want to develop. If one accepts this logic, then one is also forced by it to sympathize with such policies as that of Pol Pot in Cambodia, since he too adopted autarkic policies by severing trade relations with the outside world. But from millions of people killed there, it is safe to say that "bad theories are like bad medicines," and can lead society to a tragic end. Consequently, such theories must be avoided at all costs because they can be used to justify killing people.

Conclusion

We believe that with the use of the concept of class and non-class processes as a conceptual entry point, along with the use of the concept of overdetermination, we can produce an enriched knowledge of LIC's development problems and strategies, which produce no deterministic conclusions based on only one aspect of social processes.

While we do not deny the three essentialist theorists' contribution to knowledge, we reject their deterministic and essentialist conclusions based on, inter alia, epistemological grounds. We also object to the use of class to

construct concepts such as development, growth, exploitation, and underdevelopment reduced to questions of only one aspect of the many processes. Instead, our conceptual tools and our theoretical framework, as developed by Resnick and Wolff, should be employed for the analysis of concrete social situations in any social formation.

The practical outcome of this is that Kenya and Tanzania, and by implication other LICs, no longer have to adhere rigidly to one paradigm to guide their development path, as many of them seem to have done with disastrous consequences. Rather, the alternative paradigm will allow policy makers in these countries to jump from one paradigm to another (hold multiple theoretical positions) in order to search for the best theoretical tool for their particular problems facing them in the rapidly changing international arena.

Consequently, a democratization of paradigms will follow in which certain discursive fields that have been suppressed, criticized or "drowned out" by the dominant paradigms, will have an equal "opportunity" in an open discourse. Previously suppressed social, political-economic, and sexual-political or cultural fields would be able to compete freely with the coercive power of a normative transcendental "science" conceived as absolute knowledge.

Chapter 7

Endnotes

[1]Stephen Resnick and Richard Wolff, "Marxist Epistemology: The Critique of Economic Determinism," (unpublished manuscript, n. d.), pp. 10-11.

[2]Stephen Resnick and Richard Wolff, Knowledge and Class: A Marxian Critique of Political Economy (Chicago and London: The University of Chicago Press, 1987), p. 25.

[3]The concept of social formation is understood to mean a social totality in which all social (class and non-class) processes interact in a complex pattern. It does not mean the sum total of individually defined and independently acting social processes. Rather, it is a result of the dynamic interaction and effects of mutually conditioning and changing social processes. A social formation may embrace more than one nation, or one nation may embrace more than one social formation. See Resnick and Wolff, Knowledge and Class: A Marxian Critique of Political Economy, p. 118; see also, S. Amin, Unequal Development: An Essay on the Formations of Peripheral Capitalism (Sussex: Harvester Press, 1976), pp. 358-59; and I. Wallerstein, The Modern World System (New York, 1974), p. .7.

[4]See Louis Althusser, "Overdetermination and Contradiction," in For Marx by Louis Althusser (New York: Vintage Books, 1970), pp. 86-119, pp.209-10, 216-17; see also, Sigmund Freud, The Interpretation of Dreams, trans. by James Strachey (New York: Avon Books, 1965), pp. 182-83, 327-30, 341-43.

[5]Any social process or set of processes is the unique productive site of the interaction of its conditions of existence. A social process can be duly conceived of being relatively autonomous in the sense that this site is constituted by contradictory effects within and between social processes, thus giving this site its own distinctive dynamic. The concept is cast in terms of the Marxist notion of the "uneven development" of social processes. A social formation is reproduced in so far as the social processes (class or non-class) that comprise it are relatively autonomous and, hence, unevenly developing.

[6]According to Resnick and Wolff, a theoretical work necessarily chooses a particular way of conceptualizing social life at the beginning of theorizing. Different theorists use a variety of theoretical tools. A theory which is constructed from the point of view of power

relations and dependency will produce a different knowledge than one which begins from the point of view of a contradiction between forces and relations of production. For an extended discussion, see Resnick and Wolff, Knowledge and Class: A Marxian Critique of Political Economy, pp. 25-30.

[7]C. Wright Mills, The Power Elite (London and New York: Oxford University Press, 1956);and Mills, "Power Elite or Ruling Class?" Monthly Review, 8, no. 4 (September, 1956), 138.

[8]A good example is Stalin's famous report to the Seventh Congress of Soviets on the draft constitution in which he affirmed that the USSR had "no longer any exploiting classes." See Joseph Stalin, Leninism (London: Lawrence and Wishart, 1940), pp. 561-67.

[9]Here one's class position is determined by one's income, not by what one produces and appropriates. See, for instance, Unequal Development: An Essay on the Social Formations of Peripheral Capitalism, trans. by Brian Pearce, (New York and London: Monthly Review, 1976), p. 293.

[10]Stephen A. Resnick and Richard D. Wolff, "Classes in Marxian Theory" in The Review of Radical Political Economics, 13, No. 4 (1982); and Resnick and Wolff, "The Theory of Transitional Conjuncture and the Transition from Feudalism to Capitalism in Western Europe," Review of Radical Political Economics 11, No. 3 (1979), 8-9.

[11]Ibid.

[12]David F. Ruccio, "External Debt and Class: A Marxian Analysis," Association for Economic and Social Analysis, (discussion paper no. 27), p. 11.

[13]See Resnick and Wolff, "Classes in Marxian Theory." This is excellent in delineating the fundamental differences between subsumed and fundamental class struggle.

[14]Refer to the works of Bill Warren and other classical Marxists.

[15]Resnick and Wolff, Knowledge and Class: A Marxian Critique of Political Economy, pp. 52-62.

[16]See Resnick and Wolff, "Classes in Marxian Theory."

[17]Resnick and Wolff, "Classes in Marxian Theory," p. 1.

[18]See Resnick and Wolff, "The Theory of Transitional Conjunctures and the Transition from Feudalism to Capitalism in Western Europe," pp. 3-22.

[19]Ibid.

[20]Ibid.

[21]Ibid.

22Resnick and Wolff, Knowledge and Class: A Marxian Critique of Political Economy, ch. 2.

[23]Ibid.

[24]Ibid.

[25]Ibid.

[26]Samir Amin, Unequal Development: An Essay on the Social Formations of Peripheral Capitalism, trans. by Brian Pearce (New York: Monthly Review Press, 1976), pp. 23-26.

[27]P. T. Bauer, Dissent on Development (London: Weidenfeld and Nicolson, 1971); and Bauer, Equality, the Third World and Economic Delusion (London: Weidenfeld and Nicolson, 1981).

[28]Samuel P. Huntington, Political Order in Changing Societies (New Haven, CT: Yale University Press, 1968).

[29]Amin, Unequal Development," pp. 198-99; Andre Gunder Frank, "Capitalism and Underdevelopment in Latin America," Historical Studies of Chile and Brazil (1969); and Immanuel Wallerstein, "Dependent in an Interdependent World: The Limited Possibilities of Transformation within the Capitalist World Economy," African Studies Review, 17, no. 1 (1974), 1-26.

[30]Geofrey Kay, Development and Underdevelopment: A Marxist Analysis (London: Macmillan, 1975), p. x.

[31]Bill Warren, "Imperialism and Capitalist Industrialization," New Left Review, no. 81 (September/October, 1973), p. 3.

[32]G. Ravi and S. Uday, "Industrial Strategy for Late Starters: The Experience of Kenya, Tanzania and Zambia," in World Development, 10, no. 11, (1982), 949-72.

[33]See Maurice Dobb, Studies in the Development of Capitalism (New York: International Publishers, 1947).

[34]Resnick and Wolff, "The Theory of Transitional Conjuncture and the Transition from Feudalism to Capitalism in Western Europe," pp. 11-13.

[35]See endnote 5.

[36]See Louis Althusser, For Marx (New York: Vintage Books, 1970), pp. 207-10.

[37]Ibid.

[38]Resnick and Wolff, "The Theory of Transitional Conjuncture and the Transition from Feudalism to Capitalism in Western Europe."

[39]Ibid.

[40]See Resnick and Wolff, "Classes in Marxian Theory."

[41]Arghire Emmanuel, Unequal Exchange: A Study of the Imperialism of Trade (New York: Monthly Review Press, 1972), pp. 378-80.

[42]See extended discussion in Resnick and Wolff, Knowledge and Class: A Marxian Critique of Political Economy, pp. 117-24.

[43]Ibid., pp. 124-32.

[44]The following value equation that captures the fundamental, subsumed, and non-class processes should demonstrate the dynamics of our alternative approach.

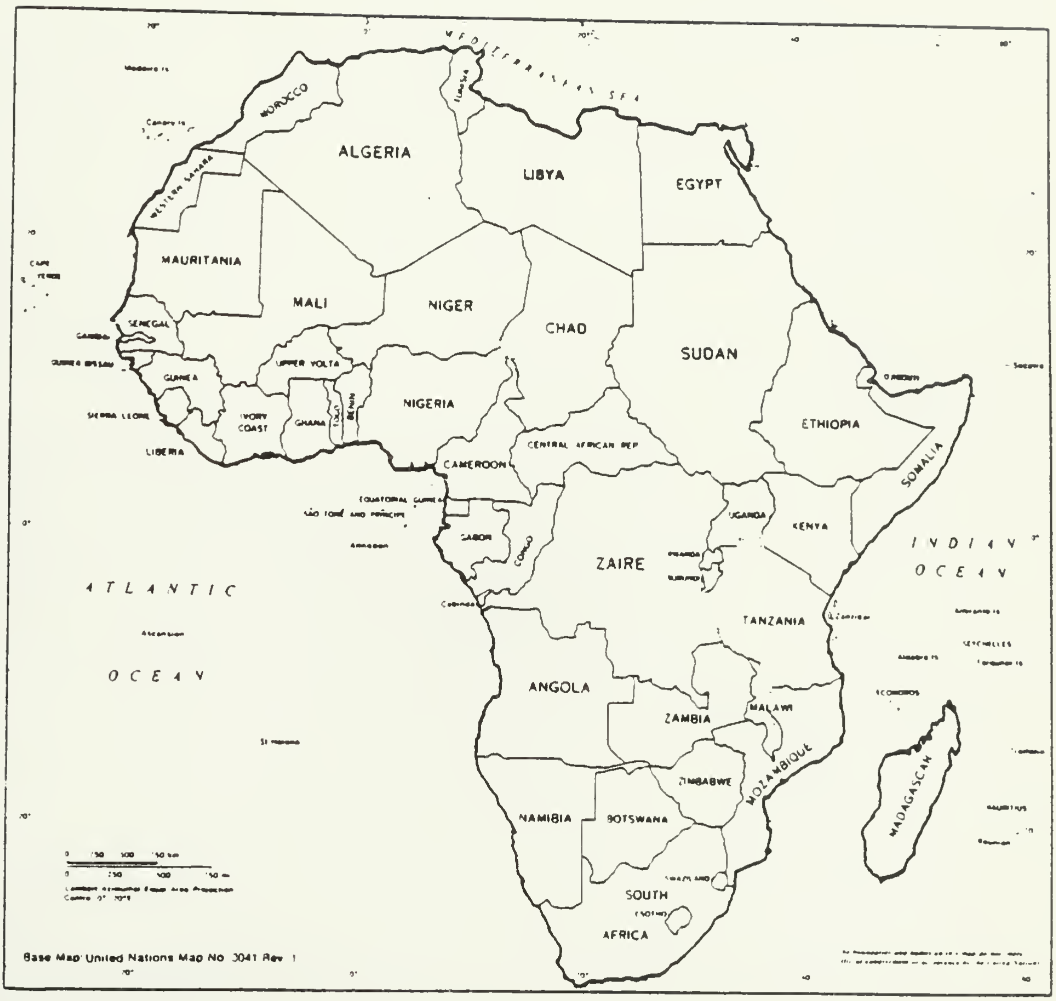
$$Pj = sv + E\ sc + E\ nc - x,$$

where Pj refers to foreign profits, sv to the foreign surplus value appropriated, E sc to the total foreign subsumed class revenues earned, E nc to the total foreign non-class revenues received, and x to all expenditures before a net profit flow. This formula shows that the analysis of the development of LICs, and the impact of ICs on them, is much more complex than previously suggested by the paradigm theorists. See Stephen Resnick, John Sinisi, and Richard Wolff, "Class Analysis of International Relations," p. 47.

[45]Andre Gunder Frank, "Capitalism and Underdevelopment in Latin America," Historical Studies of Chile and Brazil, 1969.

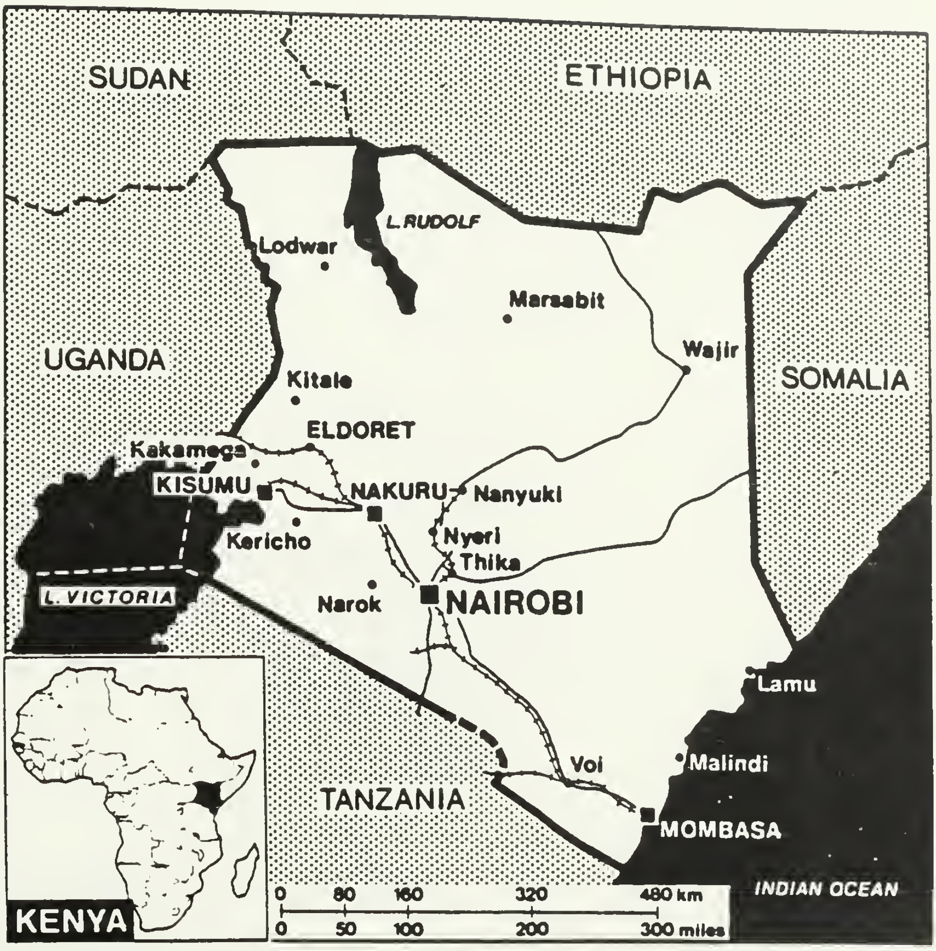
APPENDIX

MAPS



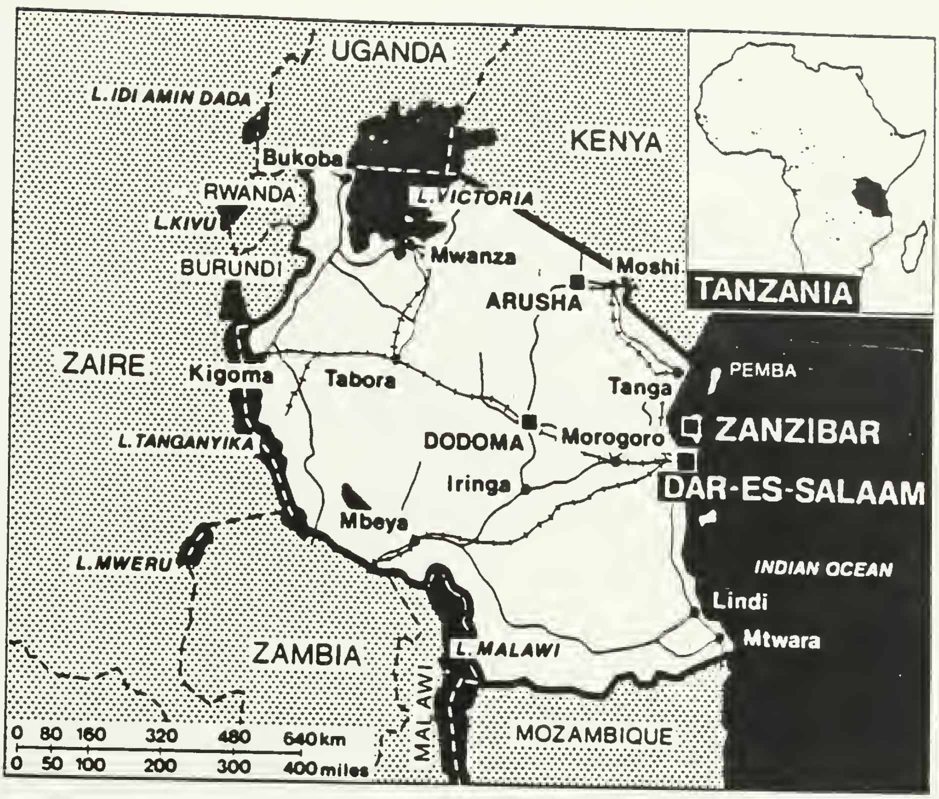
MAP 1

Source: <u>Africa Today: An Atlas of Reproducible Pages</u> (Wellesley, MA: World Eagle, 1983).



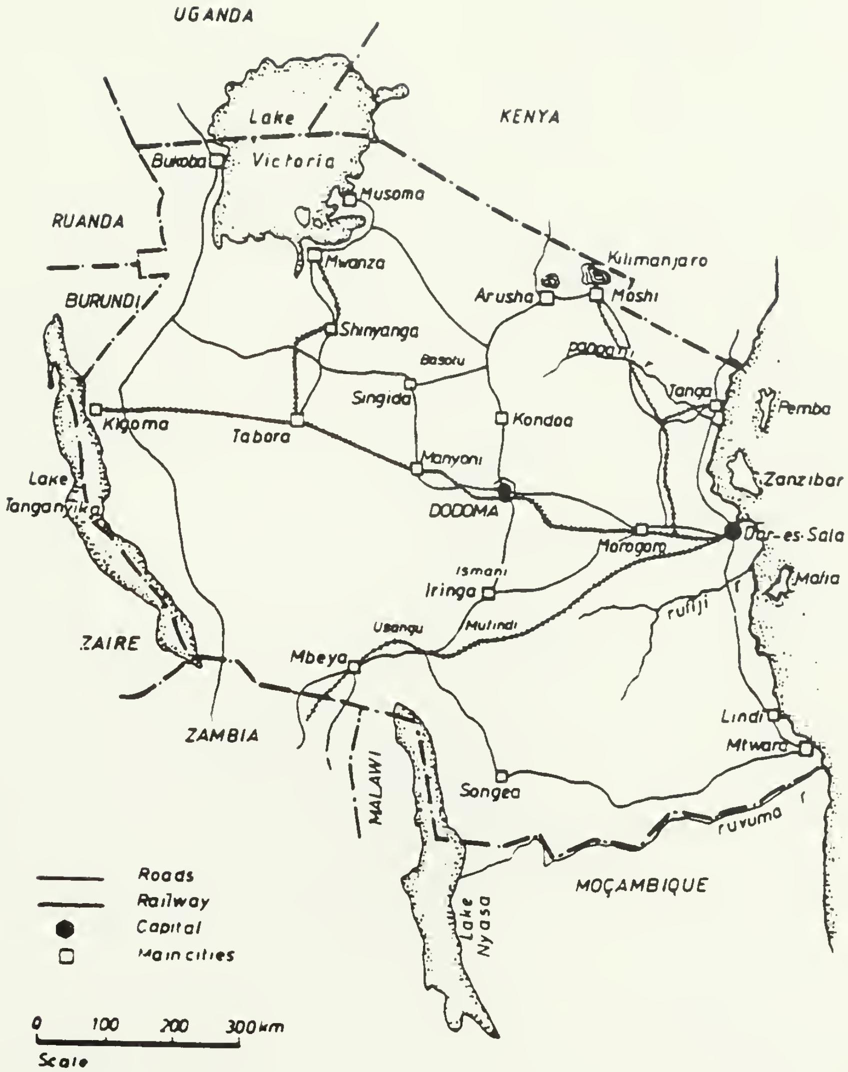
MAP 2

Source: Africa Guide: A Comprehensive Appraisal of the Continent and Up-To-Date Political and Economic Analysis and Essential Information (Chicago, San Francisco, and New York: Africa Guide Company, 1977).



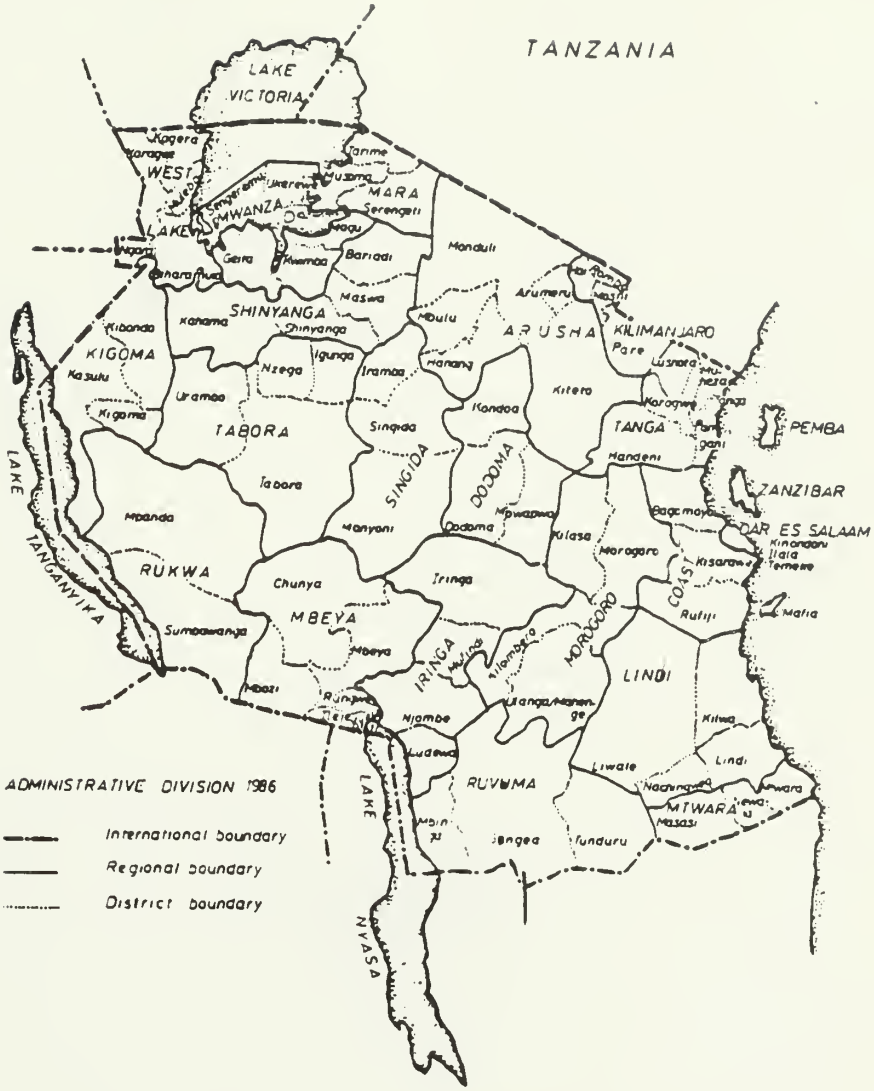
MAP 3

Source: Africa Guide: A Comprehensive Appraisal of the Continent and Up-To-Date Political and Economic Analysis and Essential Information (Chicago, San Francisco, and New York: Africa Guide Company, 1977).



MAP 4

Source: Jannik Boesen, Kjell J. Harnerik, Juhani Koponen, and Rie Odgaard, eds., Tanzania: Crisis and Struggle for Survival (New York and London: African Publishing Company, 1986).



MAP 5

Source: Jannik Boesen, Kjell J. Harnerik, Juhani Koponen, and Rie Odgaard, eds., Tanzania: Crisis and Struggle for Survival (New York and London: African Publishing Company, 1986).

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