Reviews

THE PARADOX OF THE SETTLER-DOMINATED COLONIAL ECONOMY

R.M.A. van Zwanenberg: *Colonial Capitalism and Labour in Kenya 1919–1939*, East African Literature Bureau, 1975.

Richard Wolff: *Britain and Kenya 1870–1930: The Economics of Colonialism*, Transafrica Publishers, 1974.

Reviewed by JANET M. BUJRA

The historian, R.G. Collingwood, once observed that 'every new generation must rewrite history in its own way'. Certainly the last decade has witnessed numerous attempts to rewrite the history of the colonial period, and to reinterpret it from the critical angle of hindsight. Two recent books on Kenya colonial history are part of this trend, and, coincidentally, they address themselves to the same problem —namely the economics of settler production during the first few decades of colonial rule. The two authors present an interesting cross-disciplinary contrast, for whereas one is a historian with a grounding in economics, the other is an economist with an interest in history.

R.M.A. van Zwanenberg's book, *Colonial Capitalism and Labour in Kenya: 1919–1939*, represents the fruits of detailed research into colonial records relating to an issue which was central to settler production—namely an adequate supply of cheap African labour. Richard Wolff's book, *Britain and Kenya 1870–1930: The Economics of Colonialism*, whilst shallower in depth, has a rather wider focus in that it considers other facets of the settler economy in addition to its labour supply—the decision to introduce European settlers, the alienation of African land, and the choice of crops to be grown in the new colony. Detailed material, critically presented, has been inadequately available on all these topics in the past, so both these books are welcome additions to any library on East Africa. But to my mind they also have an additional interest in that they provoke reconsideration of a fundamental problem in understanding Kenyan colonial history, namely, the paradox of the settler-dominated colonial economy.

It is Wolff who, apparently quite unintentionally, brings this paradox to our attention in the first chapter of his book. There he attempts to provide a wider historical context for his analysis of the Kenya case by critically assessing the phenomenon of latter-day British imperialism—albeit within the narrow confines of a framework of cost-benefit analysis. Thus he disputes the argument of certain writers that the colonies acquired by Britain in the last phase of her imperialist expansion were of minimal economic benefit to her. What was more important than the net economic benefit gained, he contends, was that the new colonies contributed significantly, and increasingly, to certain *strategic sectors* of Britain's economy. The irony of this position is that whilst it would appear to hold in a general sense (Wolff assembles some convincing and valuable supporting evidence here) it has little to say regarding the particular case of Kenya, which is in many respects exceptional. As Wolff himself shows, the colony of Kenya was acquired not in pursuit of economic benefit for Britain, but almost, as it were, by default—the real prize was the rich kingdom of Buganda and control of the source of the Nile. Nor in the end could it be said that Kenya contributed significantly to strategic sectors of the British economy. Cotton, for example, a vitally important input for British industry, failed to be established successfully in Kenya. Wolff has no satisfactory explanation for this, beyond the argument of contemporary officials—that cotton could be grown by Africans only with extensive European supervision, and by Europeans only with considerably more labour than was available. Only perhaps in the case of coffee (of which Kenya was Britain's second most important supplier by 1922) could such an interpretation be considered valid—but even here, this position was achieved at some considerable cost. In general, 'European agriculture', as Wolff points out, 'was an inefficient, artificially protected, and in strict accounting terms even privately unprofitable use of resources' (p. 146).

If Kenya is not the best illustration of the more general process whereby the colonial world served as producer of cheap raw materials to metropolitan capitalism, neither is it a good example of the successful establishment of a European settler-dominated economy such as occurred in Rhodesia or South Africa. The settler economy of Kenya was always weak and always dependent on external supports. Zwanenberg brings this out very well in his study, only perhaps to heighten the sense of paradox even further: 'it was the Colonial State which provided the legal, political, and military administrative conditions for the establishment of European plantations, but then failed to provide sufficient economic supports for their rapid growth. . . . During the great depression, the plantation sector had to be supported with just under three quarters of a million pounds sterling to avoid collapse of the whole framework' (p. 277).

In view of these built-in contradictions, one is forced to reconsider the initial decision to introduce European settlers, and thereafter to allow them to exercise an undue influence over colonial policy even where this might be detrimental to the long-term interests of British capital. This is partly to be explained in terms of the historical conditions pertaining in Kenya itself at this period, but it also relates to the whole ideological debate concerning the relative merits of settler as opposed to peasant production. Zwanenberg acknowledges that there was 'considerable argument internally over this question' (p. 276) but does not really attempt an explanation of the outcome. To state that: 'In a colonial situation, where the tribes could not assert themselves politically over their new masters, it was the latter who decided the form of the new mode of production' (p. 277), avoids the issue, for whilst it is true, it does not explain the fact that in colonial Uganda a peasant-based economy was established, whilst in Tanganyika a mixture of peasant and plantation production eventually prevailed.

Wolff devotes a lot of space to this question, but merely succeeds in confusing it further. In the first place he implies that the necessity for introducing European settlers was a result of the dislocating effects of the 'Arab slave trade and its consequences' (p. 48). This is to distort historical fact, for the influence of this trade was largely confined to the coastal region[1] and had only a marginal effect on precolonial conditions in up-country Kenya. Thus it can not have been the effects of the slave trade which inhibited early African cash crop production in Kenya. Indeed it is only necessary to bring into focus the contrasting situation in the neighbouring territory of Tanganyika to see that such a position is untenable. Tanganyika was, of all three East African countries, the one most affected by the slave trade[2], yet it soon had a flourishing African cash crop sector. In fact, one could argue that the trade routes *laid the basis* for a peasant economy in Tanganyika since they brought many previously subsistence farmers into commodity production (to supply trading caravans as well as the Zanzibari market).[3] By contrast, the limited effect of the trade routes in Kenya had laid no such extensive base, and hence the *immediate* foundation for a peasant economy was lacking. It is of interest, however, that Africans in Kenya very soon began to produce a surplus for the market, once that market was established. In the first twenty years or so of colonial rule it was African, not European, settlers who provided the bulk of Kenya's exports—and this included peasant-grown crops such as maize and simsim as well as goods such as hides and wild rubber.[4]

Wolff argues further that the decision to encourage European emigration to Kenya was 'a careful reasoned decision responding to the Imperial needs and circumstances of the time' (p. 147). This again seems to be off key. As in Rhodesia (see Arrighi, 1973, p. 336) the decision to introduce European settlers to Kenya was based rather on short-term expediency.[5] The building of the Uganda railway had involved heavy outlays, and in order to recoup a part of the cost, development of the fertile areas lying alongside the line seemed to be the best solution. At the time there was a temporary sparcity of the African population in these areas due to the dislocations caused in the closing decades of the nineteenth century by famine, by epidemics, and by resistance to British rule. In view of this, the introduction of European settlers seemed to be the only acceptable means of developing the land. That this was undoubtedly a tactical 'error' in both political and economic terms (in view of the early adaptation of certain Africans to commercial production) is beside the point. The fact is, that by the time this became evident, the settlers had already consolidated themselves as a class, and had gained enough local and metropolitan political leverage to defend their interests. Their ability to ensure that the colonial economy was structured almost solely for their benefit is attested to by the early prohibition on almost all African export crop production and by the labour policies pursued by the colonial government. Neither of these strategies was followed in the rest of British East Africa, where the colonial authorities were in fact quick to repudiate settler and plantation interests so long as peasant production could more cheaply service the export economy.

What is peculiarly interesting about the Kenya case is therefore the emergence of the settlers as a class conscious of its particular interests, but never effectively succeeding in fully asserting them. These interests, though basically economic, reflected themselves in a political struggle by the settlers to institutionalize and promote their economic advantage. This struggle was expressed in class relations at two levels—relations between the settlers and the indigenous population, and relations between the settlers and the metropolitan bourgeoisie (represented by colonial officialdom). Thus characterized, it can be seen that the settlers were an intermediary class *par excellence*—their very existence depended both on their being able to appropriate local surplus by exploiting African labour, and on their ability to protect themselves from being expropriated of the greater share of that surplus by the metropolitan bourgeoisie.

The key to the whole struggle was of course state power. Why was it that by the 1930s the Rhodesian settlers had gained a large measure of political autonomy from Britain, whereas at the same period Kenya's settler economy was on the verge of collapse? Zwanenberg hints at the solution to this problem when he notes that Kenya was 'without the rich mineral resources which have made the South African development so successful for its white population' (p. xxiv). It would appear that in the case of Rhodesia, too, the prospect of large gold deposits being discovered made for eager and abundant investment from overseas. Gold and other minerals accounted for a quarter of Rhodesia's national income in the 1930s (Arrighi, p. 354) and mining operations had many spin-off effects. A work force, composed both of African labour and of white skilled and supervisory workers, was created outside of agriculture, and thus existed as a market for the products of European farms. Until the 1940s Rhodesian agriculture catered as much for the home market as for exports (Arrighi, p. 355), whereas Kenya European farmers have always had to rely on the export market. Capital investment in Rhodesia, in the form of machinery and infrastructural facilities, was necessitated by mining operations, and after coal deposits were discovered it made economic sense to create a local iron and steel industry (Arrighi, p. 345). Almost from the beginning, then, the Rhodesian economy was more internally integrated than the Kenyan economy was ever to become under colonial rule.

This being the case, it is not surprising that the Kenya settlers always found themselves hard pressed. As Zwanenberg puts it: 'It was the economic weakness of the settler export-orientated economy that led to the need to extract from the local community an ever larger proportion of its total resources of land and labour' (p. xxiv). This process of expropriation is the main theme of both Zwanenberg's and Wolff's books, and both writers argue strongly that it led to underdevelopment of the indigenous sector of the economy. There however their analyses diverge. Each, for example, considers the extent to which Marx's notion of primitive accumulation could be applicable to the case of Kenya, but they come to quite different conclusions. For Wolff, the process whereby thousands of Kenya Africans were transformed into wage labourers on European farms was 'strikingly similar' to the process of primitive capital accumulation which occurred in Europe as a result of the expropriation of the feudal serfs

(p. 92). Zwanenberg points out, however, and I think rightly, that the analogy cannot be stretched too far, since Kenya was not an autonomously developing economy but a dependent colonial one. In historical terms the analogy is in fact very misleading, for whereas the demise of feudalism in Europe coincided with the accumulation of mercantile capital and hence the rise of industrial capitalism (the landless serfs being transformed into an industrial proletariat), in Kenya the alienation of land simply led to the imposition of an inefficient and largely parasitic foreign agricultural sector, still largely producing for the metropolitan market. There was no corresponding development of large-scale basic industrial enterprises in Kenya, only the growth of a petty manufacturing sector, without much potential for instigating further growth in the economy.

Equally importantly, as Zwanenberg points out, 'the pre-capitalist producers were not robbed of all their means of production, a large proportion of their land was left to them, and as a consequence the process towards proletarianization was of a different character [to that which occurred in Europe]' (p. 289). Wolff here considerably over-simplifies the picture: he does not appear to recognize, for example, what Zwanenberg makes very clear—namely that the creation of an adequate supply of cheap labour for settler farmers depended not only on coercion but on the domination and exploitation of pre-existing African modes of production. Hence it did *not* lead to a situation in which, from being 'more or less self-sufficient peasant proprietors in common, the African population was increasingly transformed into wage labourers on European farms' (p. 92). The 'transformation', where it occurred, was in fact only partial—African 'wage labourers' were for the most part only semi-proletarianized peasantry, whose low wages could be justified by their access to food supplies from their meagre subsistence plots in the reserves or on European farms (as squatter labour).

Nor was it just any, or all, Africans who were brought into class relations with the European settlers, as Wolff often seems to imply. The impact of the colonial economy was highly uneven, both spatially and structurally. Vast areas which could not easily be exploited for the benefit of the settler economy were left to stagnate in 'traditionalist' backwardness, whilst other areas experienced violent socio-economic upheavals as a result of land alienations to settler farmers. To a large degree these regional disparities of effect coincided with 'tribal' boundaries and hence Kenya politics has always worn the guise of tribalism. But already by the 1930s class differences had begun to emerge, and to be consolidated, in those sectors and amongst those Africans most deeply affected by colonial rule. Zwanenberg brings this out very well (p. 100 and pp. 225–6) when he shows that those Kikuyu most likely to become squatters on European farms were those already at a disadvantage because of land pressure in the reserves, whereas there were other Kikuyu who had begun to build up large holdings, sometimes by purchasing land from men too poor to pay their taxes. Furedi has also shown that even in this early period settler oppression created its spontaneous and bitter reaction from those most affected.[6] The settler economy thus set in motion a complex process of emerging and unfolding class contradictions both within the African population and between Africans and the class of European settlers. This process culminated in the Mau Mau rebellion in the fifties and was reflected in the existence of loyalists as well as forest fighters, and of an opportunistic petty bourgeois African nationalist leadership.

During the period of which Wolff and Zwanenberg are writing, the settlers were fairly successful in exerting pressure on the colonial authorities to provide the institutional framework within which they could exploit African labour power to its full. They were less successful, however, in their attempt to change the other factor in the equation of their economic survival—namely their relationship to state power. The settlers continually struggled for greater control over local political institutions in their attempt to transform themselves from a dependent colonial bourgeoisie into an authentic and autonomous national bourgeoisie. This inevitably brought them into conflict with metropolitan interests and with the local representatives of those interests in the form of colonial officialdom. Wolff here chooses to ignore these conflicts—or rather, as he says, to 'de-emphasize' them: 'these disputes were political rather than economic. They hinged mainly on the settlers' demands for ultimate control over governmental policy in Kenya' (p. xv). One cannot evade the issue in so facile a fashion however, for clearly economic policy was here the very essence of the struggle for political control. Wolff goes on to say that in any case the differences between settlers and officials over matters of economic policy were less important than their 'common goals' (p. xv).

Zwanenberg's position on this point is rather similar, though more complex. He argues, too, that there was 'a coincidence of the interests of the Colonial State [colonial officialdom] with the farmer settlers' (p. 281) and that whilst conflicts occurred, these were simply 'between individuals'. On the other hand, he argues that there *was* a contradiction between the Kenyan administration and its metropolitan master: 'the Colonial State leaned strongly towards the development of [local] capital, while the Imperial State leaned towards the limitation of the actions of the Colonial State [by acting as 'a brake on capital development' (p. 279)]' (p. 282). This seems to me to be far-fetched—for whilst many colonial officials were, as individuals, sympathetic to settler aims, as a class they were merely the representatives of metropolitan interests, without independent freedom of political action. And whereas the settlers basically aimed for *local* capital accumulation, the colonial state existed to *service*, as cheaply as possible, *metropolitan* capital accumulation.

The fact that this period was characterized by constant struggle over these competing interests does not come out well in either of these books. It was some three decades before settler production could be said to have become viable in Kenya. In the meantime the settlers' position was periodically under attack from metropolitan interests which compared high-cost settler production unfavourably with African peasant production (the difference here being between a situation in which an intermediary class takes its cut out of the surplus and one in which the surplus is more or less directly expropriated to the metropole). To counteract metropolitan pressure and to stabilize their insecure economic position, the settlers attempted to extend their political and economic influence to impinge on the other two East African territories. In particular, they successfully promoted the East African common market (which was almost solely to their benefit), and they propagated the idea of an East African federation which would be under their political control. In this latter aim they were blocked by metropolitan interests which did not want to see low-cost African peasant production in Tanganyika or Uganda threatened, or African surpluses appropriated for settler ends. This debate over politico-economic issues resounded throughout the twenties,[7] and yet it is not mentioned by either of these writers as one factor in the development of colonial economic structures. In fact the attempt by the settlers to extend their political and economic influence to encompass the whole of East Africa, and thereby to gain access to peasant surpluses, was almost as vital to their continued economic survival as the creation of the internal coercive mechanisms to ensure them of a supply of cheap labour. They were only partially successful in this attempt because they were never economically strong enough to assert complete political autonomy. They always remained ultimately dependent on the colonial state to bail them out of temporary economic difficulties (as occasioned by economic depressions, world war, etc.) and hence their political leverage was circumscribed.

The fact that the settlers were unable to seize ultimate control of the colonial state should not however lead one to the conclusion that the Kenya colonial state simply and directly reflected the interests of the metropolitan bourgeoisie, as has been suggested by Mamdani.[8] He argues that the Devonshire White Paper of 1923, which asserted the paramountcy of African interests in Kenya, in fact established the paramountcy of *metropolitan* interests, since it was the metropolitan power which would in the last analysis 'interpret' these African interests. This is an argument which seems more valid when applied to the colonial states of Tanganyika or Uganda, than when applied to Kenya. For in Kenya there is no denying that whilst *ultimate* control remained in the hands of the metropole, in day to day practice it was largely the settlers' interests that were served. The paradox can be partially explained if we recognize that 'metropolitan interests' were not unitary but encompassed many conflicting elements. Thus whilst metropolitan cotton interests were largely anti-settler and pro-African peasant production, mercantile interests which had established branches in East Africa were ready to back the settlers because, for a period, their interests and those of the settlers coincided—namely to open up the whole of the East African market to free trade. The history of East African cooperation illustrates this point rather nicely, for whereas British mercantile interests backed the idea of a settler dominated federation, British industrial interests were always opposed.[9] Thus the colonial state is more usefully seen as an arena of conflict between the representatives of various class interests, both settler and metropolitan, and held together only by a common interest in maintaining European control over the surplus produced by the colonial economy.

Understanding the class character of the colonial state is clearly essential to the comprehension of its economic structures and strategies. It seems to me that in Wolff's analysis the economic significance of the entrenchment of settler interests in the structures of the colonial economy is misunderstood. This entrenchment, far from assisting in the process whereby surplus was transferred from the colonies to fire the engines of Britain's industrial expansion (as he seems to assume), in fact led to a situation whereby a share of this surplus was retained locally. It is true, as Wolff points out (p. 145), that some of this surplus simply went into consumption by the settlers. Nevertheless this very process soon made it profitable to establish manufacturing concerns—of the import-substitution type—to service the settler market. Settlers themselves were involved in some of these ventures. In addition the settlers invested capital in their farms, and they also used their political influence to put pressure on the colonial authorities for utilization of surplus in the building of infrastructural facilities. The end result of this diversion of colonial surplus into local investment was to create a level of development in colonial Kenya far higher than that which pertained in Tanganyika or Uganda. This is still true even when we add that this development was highly uneven, completely skewed towards serving a minority class, and with little potential for further real growth.

I should perhaps end by apologizing to the two authors here if they feel that I have unjustly used their analyses to illustrate a theme which was not their primary concern. My justification would be that I found both these books a stimulus to reconsideration of a problematic issue in Kenya history, and what more could one ask of any study than that it provokes critical discussion?

Footnotes

1 See A.I. Salim, *Swahili-Speaking Peoples of Kenya's Coast*, East African Publishing House, 1973, pp. 15–20.
2 Though couched in general terms, Wolff's description of the effects of the slave trade on the East African interior (pp. 44–6) is in fact a description of the effects on what was later to become Tanganyika, and is largely inapplicable to Kenya.
3 See J. Iliffe, *Agricultural Change in Modern Tanganyika: An Outline History*, paper no. 10, Historical Association of Tanzania, E.A.P.H., 1971.
4 E. Brett, *Colonialism and Underdevelopment in East Africa*, Heinemann, 1973, p. 176.
5 G. Arrighi, 'The Political Economy of Rhodesia', in John Saul and G. Arrighi (eds.), *Essays on the Political Economy of Africa*, Monthly Review Press, 1973. For the Kenya decision, see Brett, *op. cit.*, p. 170.
6 F. Furedi, 'The Social Composition of the Mau Mau Movement in the White Highlands', *Journal of Peasant Societies*, vol. 1, no. 4, July 1974.
7 See Brett, *op. cit.*, pp. 99–107.
8 M. Mamdani, review of Brett, in *African Review*, vol. 5, no. 2, Dar es Salaam, 1974.
9 See Brett, *op. cit.*, p. 99.

African Rural Development

Uma Lele: *The Design of Rural Development: Lessons from Africa;* World Bank, The Johns Hopkins University Press, Baltimore and London, 1975, 246 pages.

Reviewed by TONY OBENG

In the words of its first chapter, this study, a product of the World Bank's African Rural Development Study or ARDS, 'grew out of a substantial interest within the World Bank in finding ways of designing