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Brett, E.

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by: E. Brett

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Colonialism, Underdevelopment and Class Formation in East Africa

E. Hunt

The Introduction suggested the existence of three major theoretical positions with respect to the impact of contact with the west upon social change in the third world. The older tradition of Imperial History and the more recent literature in the behavioural social sciences assumes that the relationship has produced essentially beneficial results since contact has tended to diffuse the values and techniques required for 'modernisation' to backward and isolated societies which would otherwise have found it much more difficult to obtain access to them. At the other extreme a view is now gaining strength which assumes that contact is essentially exploitative, that an increase in such contact can only increase servitude and that a process of genuine development will only be possible when third world societies can cut the connections which tie them to the dominant western powers altogether. Between these two extremes lies the more classical Marxist position which argues that the impact of the relationship is profoundly ambivalent; that it tends on the one hand to create exploitation and subjugation while on the other it produces new forces in colonial societies which will be capable of over-throwing dominance and of using the positive achievements of the developed world as a basis for the elimination of their own backwardness and subordination. It should now be possible to illuminate this debate by looking more closely at the substantive issues resolved through the colonial political process in East Africa in the inter-war period. Before doing this, however, it is necessary to make a number of preliminary points about the nature of the political-economic relations which characterised the colonial system as a functioning entity.

Colonial society was linked into the outside world through the system of international capitalism whose political and economic centres were located in the most advanced parts of Europe, the United States and, a little belatedly, Japan. By the end of the first world war virtually all of the societies of the non-western world had been drawn into relations of dependence upon these centres, and this had in turn restructured their own societies to produce relations which were both "pre-capitalist relations; /[illegible] also capitalist relations."[1] But although dominated by this internal capitalist network, a process of internal development was necessarily very different from that which had produced the original capitalist revolution in the dominant centres. Capitalism had evolved organically in the areas of origin, but it was injected into the colonial world from the outside and, where necessary, imposed upon unwilling populations there at the point of a gun. The process of organic evolution, for example in Britain, produced an indigenous capitalist class which was securely rooted in the social structure [illegible] and which, whatever its limits, had necessarily to rely upon internal sources of support, to legitimate and defend its claims to social predominance. The dominance of this class in European society was subjected to intense opposition both from the old feudal order and from the emergent working class, but its claims to represent at least one significant tendency within the national culture could never be entirely rejected. But external dominance in the third world meant that the commanding heights of the new economy and administration were occupied by expatriate groups from the beginning; expatriate groups, moreover, with access to resources derived from their metropolitan base which were far in excess of anything which indigenous groups could hope to acquire in the short run. The crucial question for the long term development of the society as a whole therefore, relates to the effect of their dominance upon the emergence of indigenous social formations which might be capable of replacing them and establishing an autonomous base for the exercise of political and economic power.

1. R. Pares, "The economic factor in the history of the Empire," Ec.Hist. Review, VII, 2, May, 1937, p.144

Whatever the difference between them, the dominant expatriate groups in the colonial political economy derived their ability to exploit East African resources from the power of the colonial state on the one hand and the inability of members of the indigenous society to compete with them on the other. These two factors were closely related to each other. Where indigenous classes had already acquired skills and capital the power of the state could be used to destroy this to allow expatriate interests full play - the destruction of India's textile industry in the nineteenth century is perhaps the most notorious example of this kind but by no means the only one. Where, on the other hand, pre-colonial society was relatively undeveloped - and this was very much the case in the East African interior - skilled personnel would have to be imported in the first instance to man the administrative, educational and economic institutions required to integrate the region into the international system of exchange. The undeveloped nature of existing social structures was, of course, used by the expatriate groups to justify their claim to these positions of power and privilege and is still used by implication to justify the colonial record by academic apologists. But what is really critical in the context of the debate about development is not whether the initial situation justified the dominance of external groups, but whether the system of dominance established during this period would tend to perpetuate itself or to produce indigenous groups capable of replacing it and establishing a genuine independence. And here the role of the colonial state was clearly crucial - because it determined access to resources it also exercised a very direct influence over the prospects for development of the indigenous population.

This assertion immediately raises the question of the relationship between the state and the social forces generated by the creation of the new system of colonial production. Classical economic theory assumes that production will be regulated by market forces and, more especially, that an optimum allocation of factors of production will derive from an international market system which places no 'artificial' barriers in its way. This theory separates economic from political factors and makes it possible for much of current theory to ignore the real nature of the connections between the two spheres. The assumption that the 'market' has ever operated independently of political and social structures in society in allocating resources has never been true except in the most limited sense. In the colonial sphere it is even more misleading because of the direct and extensive role played by the state in the economy from the beginnings of colonial production. The new system of production must be described as at least partially capitalistic because it was mainly controlled by private individuals and directed to the market. But access to the productive resources which determined success or failure on the market was directly controlled by the state. The state in turn was not an independent force but directly dependent on the balance of social forces in the system which it nationally controlled and most especially upon the dominant economic forces in the metropolitan country and their local representatives. The colonial state can therefore be viewed as the managing agent of the dominant forces in the capitalist system with a vested interest in maintaining the dominance of these forces inside colonial society. If this is true - and I would argue that the concrete case already reviewed tends to substantiate this position - it is possible to argue that the dominant forces in the colonial system were bound to use their power to limit the access of indigenous groups to resources required for autonomous development and hence to perpetuate the underdeveloped nature of their condition.

One crucial difference between the nature of capitalism in the advanced countries and the third world therefore lay in the dominance of essentially external social forces over local development; a second lay in the impact of the capitalist system as a whole upon the indigenous social structure. The organic evolution of capitalism in western Europe

eventually subjected the whole society to its laws, thereby creating a structure in which capital is concentrated into relatively few hands, the bulk of the population are without independent means of support and are therefore forced to sell their labour on the market. For the labourer in this situation freedom, such as it is, resides in the right to spatial mobility and to sell his labour to the highest bidder; for the capitalist it lies in the right to produce whatever he can sell within very broad limits imposed by the law. The development of this system took many generations and involved the elimination of pre-capitalist forms of social organisation which were based upon different principles and whose existence hampered the full development of the capitalist system. By the end of the nineteenth century this process had been effectively completed in capitalist countries, but it had hardly begun in East Africa where the capitalist system had hitherto exploited the population through the slave trade without changing the basic structure of production and political organisation very significantly. The period of direct colonial control accelerated the tendencies drawing African production into the international economy and introduced capitalist structures into the indigenous economies. But these structures existed as islands within a sea characterised by pre-capitalist forms of organisation. From a developmental perspective the crucial question raised by this situation concerns the relationship between these capitalist and pre-capitalist structures. In particular it relates to the extent to which the presence of the new capitalist structures tends to draw the whole of the indigenous society into its ambit, thereby replicating the classical confrontation of wage labour and capital produced in the developed world; or, on the other hand, tends to create a dualistic situation in which islands of capitalist modernity continue to coexist with great seas of pre-capitalist traditionalism more or less indefinitely.

This question, too, is directly related to the broader debate about the nature of the developmental process set out at the start of this chapter. The behavioural theorists assume that this dualism exists and that there is a necessary tendency for the values and skills existing in the modern sector to be diffused outwards into the traditional sector, although they feel that this process can be retarded because of the strength of the opposition to these values stemming from the hold which traditional values exert over the population. Frank, at the other extreme, totally rejects dualism, claiming that the whole of the third world society had been fully drawn into the international capitalist system but that the so-called traditional sectors are simply those which have to be kept in subordination to the dominant metropolitan centres in order to make it possible for the surplus to continue to be extracted from them.[2] The interpretation derived more directly from classical Marxism, clearly argued by Laclau, accepts Frank's assertion that the traditional sector is an organic part of the overall system of capitalist exploitation, but that he is incorrect in arguing that this sector is characterised by essentially capitalistic relations.[3] In his view the capitalist system created a situation in underdeveloped countries where the capitalist centres co-existed with pre-capitalist or feudal structures, and that the former could more effectively extract profits from the latter because of

2. "Dialectic not dual society," Latin America, underdevelopment or revolution.

3. E. Laclau, "Feudalism and Capitalism in Latin America", New Left Review, 67, May - June 1971.

their essentially feudal and servile nature. This therefore suggests an organic connection between the two sectors but not one which necessarily leads to the progressive development of the less by the more advanced. On the contrary he argues that

> servile exploitation was accentuated and consolidated by the very tendency of entrepreneurs - presumably 'modern' in type - to maximise profits; the apparent lack of communication between the two sectors herewith disappears. In such cases we can affirm that the modernity of one sector is a function of the backwardness of the other, and that therefore no policy is revolutionary which poses as the 'left wing' of the modernising sector.' 4

The debate between these three positions is no mere academic matter since fundamental questions of political strategy for the future hinge upon the way in which it is resolved.

It is now possible to examine the substantive material presented in the text in relation to the issue raised in this wider debate. Our general problem is to assess the impact of the colonial presence upon the indigenous society. To do this it is first necessary to break down this presence into its component parts and to look at each of these separately. Thereafter it will be possible to present some general hypotheses about the overall impact by examining some of the longer term consequences of the whole process upon post-colonial African society. For analytical purposes four main categories can be identified within the colonial political economy - primary producers almost entirely located in agriculture; processors and traders who handled their products; the metropolitan export industries with access to colonial markets; and the colonial administrative and political apparatus responsible for managing the whole operation. Their combined influence was so extensive that little will remain to be said once its effects have been examined in any detail.

4. Ibid. p. 31
5. I am excluding mining since its total contribution in East Africa was relatively limited.

(i) The Agricultural Sector

Colonialism required the creation of an export sector in the local economy, and this in turn required the evolution of a rural class with the resources required to sell some part of its production on the international market. In fact the growth in production of this kind in East Africa during the period under review was very considerable in terms of quantity (although not necessarily in terms of value because of the effects of the depression of the thirties) as the following figures demonstrate:

Table XVI

East African Agricultural Exports (3 year averages)

	Sisal (000 tons)		Cotton (000 bales)		Coffee (000cwt.)	
	1923-5	1936-8	1923-5	1936-8	1923-5	1936-8
Kenya	12	31	2	19	145	353
Uganda	0	1	138	359	37	256
Tanganyika	17	91	17	58	102	263

Source: Colonial Annual Reports

The rapidity of this growth can be largely attributed to the relatively favourable terms on which the British authorities provided the infrastructure services which sustained it - in this respect East Africa certainly benefitted considerably from its association with what was still the wealthiest of the European colonial powers. The positive contribution of this growth to the future development of the region must not be undervalued, however fundamental the criticisms to be made about other aspects of the colonial impact. The productive capacity represented by these exports (which were to rise rapidly in value during and after the second world war) is, however limited, the foundation on which future economic change will have to be based.

But any analysis which limited itself to the examination of growth rates would be likely to obscure more than it revealed; these, as was argued in the Introduction, have to be examined in relation to the changes in the structure of production, of distribution and of political control which such growth induces and which is then influenced by them in turn. The crucial structural issue in agricultural development in East Africa related to the mode of production and in particular whether this was based upon settlement, plantations or the peasantry - this choice in turn determined the evolution of rural social structure and political control since each strategy involved sharply differing processes of class formation. The study attempted to demonstrate how the settler strategy

required a process of capital accumulation in that sector based upon a net transfer of capital and of labour to it from the peasant sector. This process, which can perhaps best be viewed in terms of Marx's analysis of primitive accumulation,[6] produced a rural structure based upon large-scale expatriate capital, employing African wage-labour in the settler sector, and was combined with the continued existence of subsistence based pre-capitalist production in the African reserves which served to maintain and reproduce the reserve army of agricultural workers when they were not required in the capitalist sector itself. The plantation structure which coexisted with this in Kenya and was the leading expatriate sector in Tanganyika, required very little capital from the peasant sector but depended upon the availability of cheap labour which in turn depended on inability of farmers in certain areas to produce directly for the world market because of poor infrastructure services. It too, therefore, produced a structure based on large-scale capital, African wage labour and a subsistence sector disconnected from the market. The peasant strategy, on the other hand, was based upon small-scale production mainly dependent on family labour with subsistence production co-existing with production for the market. In Laclau's sense this therefore also represents the maintenance of a pre-capitalist mode of production, but one involving a much lower degree of servility than those which continued to exist in the subsistence areas which served as labour reservoirs for plantation or settler based systems. Further, although this study necessarily treated peasant society as an undifferentiated entity (a tendency shared by those who still consider African society to be 'classless'), it is evident that access to the market and to the resources which it provides makes a process of capital accumulation inside peasant society possible, and some would argue, must inevitably over the long term produce inequalities in access to capital which will lead to the development of a landed and a landless class, and hence to the evolution of a capitalist structure in the classical sense.[7] The limitations of the material presented in this study make it impossible to take this line of argument any further here, although something more will be said about the implications of the peasant structure for the subsequent process of political development. What the material does do, is to make it possible to look in more detail at the implications of plantations and settler strategies in this regard, a question of primary importance for the nationalist struggle in both Kenya and Tanganyika.

Plantation development was justified by its proponents for crops which required large-scale processing facilities. These could not be found locally and this was thought to legitimate expatriate control provided (at least in the view of the more enlightened proponents like Donald Cameron), that all of this initial capital was in fact brought in from the outside and not extracted from the African population.

6. Capital, vol.I. Part VIII.

7. For an interesting attempt to examine the long term implications of this process in Kenya cf. C.T. Leys, "Politics in Kenya : the development of peasant society," British Jnl. of Political Science, vol. 1, no.3, 1971.

But this assumption that plantation development was cost-free from the point of view of the local population must be looked at in the wider context of its sources of labour and of its effects upon the development of the areas from which this labour was drawn. In East Africa plantations depended upon the failure to open up these areas since an extension of cash crop production there would reduce the supply or increase the price of labour to a level which only the most efficient producers could hope to pay. The situation thus strongly reinforces Myint's general conclusion that "the existence of an indigenous subsistence agricultural sector seems to have worked, at least in the transitional stage, for the keeping of the wage in mines and plantations;" and further, "that the colonial powers have been able to maintain low wages in the mines and plantations by neglecting and impoverishing the subsistence agricultural sector."[8] The whole effect, much reinforced by the strength of the political representation given to plantation interests both locally and in London, would therefore be to cumulatively strengthen regional inequalities and hence the development of a system of dualism involving 'servile exploitation'. The system, based as it was upon expatriate capital, also probably made a small contribution to the stimulation of more advanced forms of economic production in other sectors of the economy, as was the case with the more mature plantation systems of India and South East Asia.[9] This was therefore a classical example of a situation where high initial returns on relatively cheap forms of investment tended to generate powerful obstacles in the long term to an effective developmental process.

All these negative effects of plantation development were much intensified in the case of settler development. The predominance of plantations in Tanganyika only extended to a limited range of crops and regions and did not preclude the emergence of a dynamic process of peasant development in a number of areas. In Kenya settler dominance virtually excluded peasant development, it required a net transfer of resources from the African to the European sector, and it required that the African sector be reduced to an underdeveloped labour reservoir for the latter. The most reactionary aspect of the settlers strategy stemmed from the fact that they contributed virtually nothing to the development of the exchange economy which existing peasant producers could not provide as well or better. This fact, combined with their demand for the style of life of the English gentry, meant that the whole force of the state had to be brought to bear in order to extract the resources from the local population which were required to maintain their position. The repressive effects of this strategy have been extensively documented in earlier chapters, what must still be considered here is the nature of its impact upon African policies.

The development of the settler sector depended directly and heavily upon the support of the colonial state. While Africans in the remote regions of Tanganyika who were forced to walk 300 miles or more to work on the plantations could not be expected to realise that this was the outcome of particular aspects of colonial policy, those in Kenya subjected to the Kipande system, land alienation and a prohibition on cash crop production could not avoid making this connection. They learnt very quickly that their poverty and dependence was the direct result of the relationship between the settlers and the colonial state. This fact also forced them to realise that liberation could not be derived simply from an involvement in 'tribal' politics at the local level, but would require a movement which could direct pressure against the colonial centre where all the crucial decisions were taken. Further, Kenya's politics

8. H. Myint, Economic theory and the underdeveloped countries, London, 1965, p. 155
9. G. Myrdal, Asian drama, London, Allen Lane, 1968, vol. I, pp. 1676-83.

were based upon the need to maintain their racial monopoly over the key developmental resources; they could allow neither Africans nor Asians access to their privileged domain in the white highlands. This monopoly meant that Africans could not hope for upward economic and other forms of mobility on an individual basis - they would be excluded because they were African and could therefore only hope to progress within the broader content of the African community as whole. For African elite as well as the masses, therefore, nationalism was an imperative.

African nationalism was to emerge as a political force throughout colonial Africa after the second world war, but the conditions from which it did so differed sharply. It invariably required the existence of a small western-educated elite within the African population capable of organising a national movement which could deal with the colonial authorities on their own terms.[10] It also required the support of large sections of the rural population which would only be forthcoming where they could be shown that their interests had come into direct conflict with the policies of the colonial state. In the peasant dominated areas of Uganda and Tanganyika this conflict did not arise out of policies related to control over agricultural production because the peasant strategy tended, if anything, to increase the resources going into the African sector rather than to diminish it. In these cases opposition was to arise out of issues derived from processing and marketing, to be discussed in the next section, which took much longer to mature. But the creation of settler dominance drew large sections of the rural population directly into anti-colonial struggle from the earliest stages of the evolution of the cash economy, a fact which explains the relatively early emergence of nationalism in Kenya, its violence, and its ability to mobilise wide strata of the population notably in the areas most directly effected by the settler presence. But the effects of this situation went even further than this. The dependent subsistence sector had to be administered, and this was only possible, as the right-wing Indirect Rule theorists like Smuts and Grigg recognised, through the maintenance of the authority of 'traditional' institutions like the chieftainship. African agents had to be found to man these institutions - chiefs, headmen clerks and so on - and these were rewarded with the superior access to the benefits of the colonial world. They were then expected to maintain the authority of the colonial system in the reserves and were assumed by officialdom to represent the interests of the African population as a whole. They became dependent indigenous structures in the sense defined in the Introduction and their position was necessarily to bring them into opposition with the emerging nationalist forces which were challenging the colonial structure which gave them their privileges.[11] This tendency also emerged in areas of peasant development - for example in the Lake Region of Tanganyika[12] - but it was far more intense in Kenya because of the much greater exploitativeness of the system as a whole. Thus the conflicts engendered by the system were not confined to those which existed between Africans and Europeans, but were also developed inside the African community itself - as was to emerge very clearly during the Mau Mau movement when the loyalists were a prime target for attack.

10. Cf. K. Post, The new states of West Africa, Harmondsworth, Penguin Books 1964; T.L. Hodgkin, Nationalism in colonial Africa, London, Muller, 1956

11. J. Nottingham & K. Rosberg, The myth of Mau Mau, op.cit. esp. p.85.

12. R. Austen, Northwest Tanganyika under German and British rule, op.cit; A. Maguire. Towards Uhuru in Tanzania, Cambridge, U.P., 1969.

(ii) Trading and Processing

Colonial policy throughout East Africa was concerned to destroy free competition between middlemen and processors for raw materials in order to increase control over growers and maintain the profitability of high cost expatriate operators. This was done by creating a system of controlled marketing which gave these expatriate processors a monopolistic relationship to their sources of supply. In Kenya settler produce was largely controlled through producer dominated co-operatives, but elsewhere this occurred through British and, increasingly, Asian private firms. This system effectively eliminated an autonomous middleman sector and replaced them as intermediaries between grower and processor with agents directly dependent on the latter. As a result growers received a lower price for their crop, Africans lost the opportunity to become middlemen themselves and thereby to become capitalist traders in their own right, and a larger percentage of the surplus could be funnelled out of the country than would have been possible otherwise. What, then, were the wider political implications of these decisions which at the time appeared to be essentially technical in nature?

Although Africans were given every encouragement to become peasant producers in Uganda and Tanganyika, the existence of this expatriate monopoly in marketing and processing effectively excluded them from any but the most servile positions - as labourers, buying agents etc., - in the latter sector. This, again, was the direct result of the intervention of the colonial state at the behest of the dominant expatriate interests and its effect once more was to block the development of a fully capitalist system in order to create a structure of servile dependency which would maximise monopoly profits. The overall result was to freeze relationships in the rural sector into a rigid hierarchy with European and Asian processors at the top, their Asian (and to a limited degree African) agents in the middle, and the great mass of the peasantry consigned irrevocably to the bottom. It is important to emphasise that the failure of Africans to move upwards did not stem in any way from any of the attributes supposedly associated with 'traditional values' - indeed, the full power of the colonial state had to be brought in to eliminate small Asian and African middlemen who were competing only too effectively on the market where the opportunities existed. Their failure stemmed directly from the limits imposed on the free operation of the market system by the state and can therefore only be understood in a context which takes into account the factors which determined the operation of that state.

While the commitment to settlement was the factor which took the state into the center of African politics in Kenya, it can be argued that it was the commitment to the expatriate processors which very largely achieved this end in Tanganyika and Uganda. Africans protested forcibly about the creation of the monopoly when this occurred. Faced with its success they began to organise co-operative societies - led, so far as one can see by individuals who might in other circumstances have become independent middlemen - which would provide them with some limited defence against exploitation. These societies provided Africans with almost their only organised base in the rural areas, and the obstacles which the nature of the colonial marketing system imposed upon their further development provided the issue around which the elite and masses could be united in opposition to the colonial state. This is very clear in Uganda politics in the forties when the riots of 1945 were directly related to marketing and pricing policies, and where the Uganda Farmers' Union (also known as the Federation of Uganda African Farmers) began as an attempt to break the exporting monopoly and ended as the Uganda National Congress - united to the elimination of the colonial state. In Sukumaland in Tanganyika political contest between town and countryside also "came first through the co-operatives" for the same reasons.[13]

13. Iliffe, op.cit., p. 14.

These facts thus determined in large measure the issues around which the African opposition would develop, they also ensured that a strong element in the nationalist movement would derive from a co-operative rather than a capitalist economic base. Little research has gone into the class composition of the early nationalist movements, although it seems likely that this did contain small-scale African trading as well as clerical and co-operative components. But the weakness of the purely 'capitalistic' element in the movement was to be of great significance for the future where it probably gave the leadership much more freedom of action in relation to the evolution of ideological positions with a socialist component. It was in this sense that African society could be realistically described as 'classless', since the nature of the colonial presence had precluded the development of an authentic capitalist revolution in the rural sector and, in so doing, created a situation which inhibited long term structural change in social and economic relationships.

(iii) Metropolitan Exporters

The needs of British manufacturing industry created the dynamic which determined the speed and the structure of colonial development by creating a market for raw materials and supplies of manufactured consumer goods. Africans could be quickly persuaded to enter this exchange process both as producers and consumers; what was more difficult was to provide them with sufficient purchasing power to make a visible impact upon the demand for British products in a world in which more and more people were questioning their reliance on traditional British sources of supply. British exporters therefore had to press for policies which would expand local markets by increasing exports of raw materials and, if necessary, by excluding competition from alternative sources of supply. Here it is now necessary to consider the implications of their demands in three areas of policy - the aid programme, tariffs, and colonial industrialisation.

The crisis of unemployment in British engineering and textiles in the twenties produced the aid programme which culminated in the 1929 Colonial Development Act. The major impact of this was felt in colonial railway building, with many hundreds of miles being completed in East Africa between 1921 and 1932. This programme was initiated as a result of British rather than local pressures - it was always simply assumed that transport was the primary need in local development and that railways were the most efficient means to provide this. If it could be shown that this was in fact the case in East Africa after the twenties there would be no need to criticise it simply because it was also of direct assistance to British textile and steel producers. But it was in fact very doubtful that this was the best way to spend the enormous sums which were provided as a result of these pressures.

There is no doubt that the original railways built into the East African interior were of fundamental importance in opening it up to production for the world market. But grave doubt attached to the benefits to be derived from the subsequent expansion. O'Connor's carefully documented study concluded that the lines serving Uganda "appear to have been of progressively decreasing importance in terms of their impact on the country,"[14] and that those built in the twenties "had very much less effect on economic development, for although they immediately [illegible] large volume of traffic, much of this was merely diverted from the [illegible] corridor." [15]

14. A.M. O'Connor, Railways and development in Uganda, Nairobi, O.U.P. 1965, p. 47.
15. Ibid., p.49.

His assessement of the contribution in Tanganyika is not much brighter.[16] There one may also note that the 93 miles extension to Kinyangiri was torn up before the second world war as uneconomic, the Tabora Mwanza line was never an economic proposition because the Kenya-Uganda line took most of the traffic from the Lake region, and the Moshi-Arusha extension was intended for settler development which never became really significant. In Kenya the branch lines were almost exclusively built to service the settler sector (which O'Connor claims would hardly have hoped to survive the depression "if they had not been served by the various branches");[17] as a result they were heavily underutilised and never justified their costs in purely economic terms.

When one comes to set these limited achievements against the direct and indirect costs which they imposed on the local populations the picture becomes even darker. The Kenya-Uganda Railways spent some £16.5 million on capital investment between 1921 and 1933, and thereafter it had to meet interest and capital repayments of well over £800,000 each year. By 1932 Tanganyika's railway debt was £5.8 million out of a total debt of £8.9 million and repayments amounted to £310,000 p.a. or more than 13% of the total expenditure of administration and railways combined. These costs can be compared with expenditures in Kenya in 1934 of £170,000 on education, £325,000 on Agriculture and £198,000 on medical services; and with £81,000 on education, £105,000 on Agriculture and Veterinary Services and £194,00 on medical services in Tanganyika. Less directly, the commitment to capital intensive technology implied by the choice of railways rather than roads (Kenya spent only between £60,000 and £80,000 on these throughout the thirties) meant that development had to be concentrated into a limited number of regions - as a result the areas around the railway could be intensively developed, while those more than a few score miles away had to be starved of resources because of the drain by the costs of the capital intensive sector. Looked at in this light the argument then used that 'scarce resources' made it impossible to open up remote areas of the country falls into perspective. These resources were not scarce because of a lack of availability of capital; they were scarce because the capital was only forthcoming on terms determined by metropolitan interests who benefitted from the use of the capital intensive technology which provided employment to British workers, rather than the labour intensive technology which might have been used to provide a territory-wide programme of rural animation based on local road building, agricultural extension and research. This, too, tended to intensify the nature of the dualism in the economy, concentrating development in a small number of regions and leaving the rest in a pre-capitalist situation where they could be effectively exploited as low cost labour reservoirs for the developed regions fortunate enough to have access to the railways and other economic infrastructure.

British exporters were also directly effected by the nature of both internal and external colonial tariff policies. With respect to the former the interests of British traders and, to a lesser degree, direct exporters, were strongly committed to the extension and maintenance of the East African customs union. This was no doubt important in relation to the extension of the internal market, but the power of the Kenyan settler interests ensured that they would largely monopolise its benefits with respect to agricultural production, while the strength of the Kenyan urban centres, together with a more favourable attitude among policy-makers, made it possible for them to monopolise the advantages with regard to industrialisation as well. This latter fact in particular was to become a major source of conflict in the post war period and was to make it very difficult for the same degree of economic combination to be maintained after Independence.

16. A. M. O'Connor, Railways and development in Kenya, Nairobi, O.U.P. 1965 p.139/40.
17. p. 149

With regard to the external tariff British interests initially accepted the principle of non-discrimination in favour of British goods because they assumed that they were strong enough not to require special assistance and hoped that the same principle would be adopted by other colonial powers elsewhere. But the expansion of Japanese competition in textiles in the late twenties and early thirties reversed this situation and led to demands for discriminatory preferences in favour of British high cost producers. The existence of international treaty obligations protected East African consumers against discrimination of this kind, although those in most of the rest of the Colonial Empire were not so fortunate.

British exporters therefore attempted to exclude external competition through tariffs; they initially attemped to pre-empt the development of internal competition by discouraging colonial industrialisation. But in this case the change in the international trading situation produced changes in policy which were perhaps more favourable to local interests. While British products dominated the local market British opposition to local industrialisation was complete. Once the market had been lost to the Japanese, and the attempt to obtain preferential treatment had failed, British firms became interested in recapturing the market by setting up production inside the protection afforded by the revenue tariff and the high costs of transport to East Africa's inland centres. Their needs, combined with pressures from the settler minority, had begun to bear fruit in Kenya in the late thirties, and the industrialisation process was to be intensified by the effects of the war and the more positive policies adopted thereafter. As a result a small but not insignificant industrial center had been established there by the end of the colonial period, a partial contradiction of the alleged tendency for colonialism to inhibit all developments of this kind in the interests of metropolitan manufacturing centres.

This investigation therefore shows that any simple association of colonialism with anti-industrialisation will not suffice. On the other hand it also raises some questions about the limitations imposed upon a programme of this kind by the dominance of metropolitan interests in the decision-making process. East Africa was protected from the full effects of this dominance by international treaties - the Mandate of Tanganyika and the Congo Basin Treaties over the whole region - which stopped the metropolitan power from excluding competition as it did do in West Africa. It would be useful to know whether the lower rate of industrialisation exhibited by the West African economies - despite larger internal markets - can be attributed to the fact that British exporters were able to maintain/foothold there for longer than they were in East Africa because of the protection afforded by the introduction of quotas on Japanese imports in 1934. But what is of anything more important is the fact that industrialisation, when it did come, was not begun in order to create opportunities for local entrepreneurship, but as a means of protecting British capital from low-cost Japanese competition. The previous section has shown how African entrepreneurship was stifled by the effects of marketing and processing policies; this failure to provide them with opportunities to accumulate capital, combined with the commitment to British firms, meant that the industrialisation process would have to occur through the importation of capital intensive technology managed by expatriates and controlled from abroad. This then laid the foundation for future dependence on the multi-national corporation for the capital and skills required for further industrialisation; it also produced the massive structural imbalances now visible throughout the East African economies which have resulted from the low tendency of this technology to provide non-agricultural employment. An alternative strategy based upon the attempt to establish small scale industry using technology which could be managed by members of the indigenous population would probably have taken longer to mature, but would not have had the negative effects so clearly visible in the present situation. This situation can therefore again be shown to have intensified dependency and the dualism based upon the juxtaposition of an advanced and highly profitable expatriate sector with an indigenous social

structure for which most of the potential channels of upward mobility had been blocked.

Finally in this section it is worth digressing slightly to say something about the contribution of the colonies to development in Britain itself. The active interest taken by Government in colonial development in the twenties contradicts in some measure the popular view that interventionism in the interests of full employment only began with the triumph of Keynsianism in the latter part of the thirties. Government was prepared to intervene in this way, especially under Lloyd George during the coalition period, and direct intervention was not confined to the colonial projects examined here. Yet it is equally true that the prejudices of the establishment limited this activity very severely in Britain itself although there was less opposition to public works in the colonies where laissez faire doctrine was of less importance to the dominant interests. In fact it can be argued that the existence of the Empire made it possible for the English ruling class to avoid confronting the real nature of the crisis which they confronted during these years. Many of the most active and articulate Tories -- like Amery and the whole Imperial Preference movement -- believed that their problem could be solved by expanding the complementary trade within the Empire through the program of preferences and colonial development. They therefore used their considerable energies to promote essentially defensive strategies which involved using Britain's international power to buy her the privileges which would make it possible to shield her manufacturers from the full effects of their growing lack of competitiveness on a world market increasingly dominated by the United States, Germany and Japan. The limited success of these Imperialist policies bought British exporters a few more years of competitiveness in protected markets and hence absolved some of them from the need to make structural changes at home required to meet this international competition on equal terms. The resulting maintenance of archaic economic structures within British industry then served to make the gap even more difficult to bridge when the Imperial crutches finally disintegrated in the fifties and sixties.

(iv) The Colonial Administration

The colonial administration, standing at the point of intersection of the political pressures emanating from British society on the one hand and local society on the other, was expected to manage the whole system although not to run it. With certain limited exceptions, the means of production and distribution were controlled by private interests whose position had therefore to be taken into account when policies were made. Government could make choices between the options presented by the conflicts between the needs of private groups, but could never free itself from its fundamental dependence on the capitalist system itself. Its influence, which must not be underestimated for this reason, was therefore confined to the choice between alternative strategies for capitalist development which it could exercise by providing one group of entrepreneurs with opportunities to operate as against another - settlers rather than peasants, processors rather than middlemen, importers rather than domestic producers and so on. The outcome of these choices was clearly critical for the long term evolution of the social system, and the basis on which they were made as well as their long-term implications must therefore be looked at with care. Further, the administration in East Africa was essential to create social status and provide a high proportion of the employment opportunities at the top in the non-agricultural sector. Its expansion and the extension of social services and urban amenities to the local population was therefore also to be provided. In this section it will be necessary to look at the implications of these attitudes and policies upon the evolution of African social and political organization, and upon the general development of the exchange economy.

Colonial administration constantly operated within an unresolvable contradiction - on the one hand the demands of the cash economy required that Africans be drawn out of their old routines and systems of social organisation; on the other, they could only be effectively kept in order provided that traditional habits of deference were maintained. Change was both essential and dangerous. The population had to be persuaded to ask for more but not for too much more; to produce for the market but to allow it to be regulated by forces entirely outside their control. Lugard and his followers knew full well that the colonial situation inevitably produced "a disintegrating effect on tribal authority and institutions," [18] and that any attempt to draw African society into the new system would, by so doing, "require complete political repression, or concession to political agitators, a class which has never failed to be created by a system of direct rule, of some western form of self-government." [19] This led both the peasant and the settler theorists to advocate the maintenance of traditionalism institutionalised in the Indirect Rule system. This tendency was, of course, strongly compatible with the maintenance of the dualistic development described earlier in this section - if Africans could be persuaded to limit their incursions into the new world to growing a few stands of cotton or coffee, or to working for wages for a few months of the year, it would mean that they could both retain their loyalty to the local authority structure and provide the resources required to keep the settlers, processors and traders in business. On the other hand, if they moved out of these lowly roles and acquired the mobility and resources derived from economic entrepreneurship they would not only threaten the profits of expatriate enterprise, but also the authority of the traditionalistic system of rule to which they were subjected on the local level. More will be said about the limits of this strategy in the concluding section; here it will suffice to note that its contradictions did not only operate on the economic plane but in the sphere of administrative organisation as well. While Indirect Rule assumed that 'traditional' authorities were to develop independently of central political authority they had necessarily to operate within the broad context of the colonial value system, more especially in the areas most strongly affected by the growth of the cash economy. This meant that the authority of the new chief had, in the last resort, to be subordinated to that of the District Commissioner, and he therefore ceased to depend directly on his standing with his own people to whom he was now only nominally responsible. Thus, as Austen puts it,

> conscious expressions of dedication to indirect rule are consistently accompanied by the strengthening of the bureaucratic apparatus which denies the possibility of autonomous local development ....the more colonial native policy, the less African tribal politics. [20]

18. Lord Lugard, The dual mandate in British Tropical Africa, op.cit. p.215

19. Tanganyika, Native administration memoranda, No.1. 1930, p.5.

20. R. A. Austen, Northwestern Tanzania under German and British Rule, p. 254.

While Indirect Rule theory tried to freeze African systems of social and political organisation, or at least to delay their integration into the structures which determined events at the centre, the presence of the administrative apparatus itself created a new elite which was superimposed upon the whole of indigenous society, and yet derived its values and life-style from its metropolitan base. From an administrative point of view, therefore, dualism consisted of the juxtaposition of the colonial control structure, with its access to the full apparatus of western bureaucratic theory with a 'traditional' structure which still operated at much lower levels of technical competence, and which was in any event directly dependent on the advanced sector for its authority and its methods of operation.[21] But, as in the case of the economy, this dualism did not imply separation - the two systems were functionally linked with each other with the underdevelopment of the traditional sector a prerequisite for the maintenance of the superiority of the modern. But this separation could never be complete. The central administration was monopolised at the decision-making end by Europeans, but lower level positions in the executive and clerical grades were filled either by Asians or, as the educational system developed, Africans in increasing numbers. Because of the limitations imposed on African mobility in the economic sector this class of literate clerks were to occupy a very prominent position in the evolving structure of African society. They became a part of the 'modern' sector and were able to learn at least some of its techniques of organisation and control; they were probably better placed in this regard than the chieftaincy whose positions were so completely confined within the bounds of local society. Further, the racial division of labour within the administration prevented their upward mobility beyond the lowest level and thereby ensured that their loyalty to the colonial system would be less than complete. Although it is probable that many of those actually in employment would limit their opposition because of the new constraints which their superiors could impose upon them, this did not stop members of the group from playing a leading role in the formation of pressure groups and parties. Perhaps more important, the need to educate a class of clerks and technical assistants of one sort or another, led to the expansion of the educational system, and this was ultimately to produce people who chose not to go into administrative service, but into nationalist politics instead.[22]

Finally, there is little doubt that the bureaucratic theory introduced into East Africa by the administrative class strongly reinforced the tendency to favour large-scale monopolistic forms of organisation which emanated from the dominant expatriate economic groups. Two theories of economic organisation confronted each other during the early colonial period. Classical liberal theory supported the evolution of a system of essentially unregulated competition which would have provided small entrepreneurs with the opportunity to operate freely, subject only to the constraints derived from the economic power disposed of by the large operators. In East Africa the social base for small-scale entrepreneurship was initially the Asian business community, but Africans were also beginning to move into this sphere by the twenties. On the other hand, an essentially bureaucratic approach to problems of economic organisation saw competition as 'wasteful' and assumed that these problems could be solved through the application of 'rational' techniques to organisations which occupied monopoly positions. It attributed great virtues to size, assumed that only large organisations could provide efficient and modern services, and considered that the abuses deriving from monopoly power could be controlled through the supervision of the state which it was thought could be relied on not to favour any particular party. The social base

21. For an excellent examination of this problem, cf. L.A. Fallers, Bantu bureaucracy, Chicago, U. of Chicago Press, 1965.

22. On East Africa cf. Nottingham & Rosberg, op.cit.; and R.A. Austen, "Notes on the pre-history of Tana", Ufahamu, Vol. 3, No. 2 (Fall 1964) for a good study of a West African case, J.S. Coleman, Nigeria, background to nationalism, Berkley, U. of Calif. Press, 1958.

for this view was, of course, the large expatriate enterprises where it served to justify the claims of settlers, processors and, subsequently, industrialists, to monopoly privileges. The bureaucracy, with its ideological roots in the Weberian tradition of scientific administration, and its social identification with the expatriate business and agricultural class, strongly supported this latter position; the more so because of its dislike of the Asian trading class which it suspected of dishonesty and of its desire to stop Africans from moving out of their traditional pursuits into the modern sphere. The end result was a tendency to intervene to substitute centralised bureaucratic controls for free competition on the market in virtually every sphere of economic life.[23]

This tendency has exerted a powerful influence over the subsequent evolution of the East African economy which is still heavily influenced by its commitment to bureaucratic forms of centralised organisation and hostility to the development of small-scale entrepreneurship through free access to the market. It began with the need to shelter expatriate capital from the small scale competition of Asian or African entrepreneurs; it thereby created a structure in which almost the only channels of upward mobility were through these large-scale organisations which depended so directly upon administrative support. This meant that Africans, once they reached the point where they could move out of the agricultural sector, could only think of doing so by moving into these organisations since the opportunities for entrepreneurship at levels which they could manage without assistance from the state had been so severely limited. The educational system, in its turn, was evolved to train Africans for these bureaucratic roles rather than for entrepreneural ones by stressing academic rather than practical training which would have improved skills in agriculture, business and small-scale manufacturing. And the continual strength of this tendency, strongly reinforced by the continued domination of the Western powers and the multi-national corporation, served to perpetuate reliance on imported and capital intensive technology and forms of organisation. Instead of developing a strong entrepreneurial base in marketing, processing and manufacturing and thereby providing the basis for an organic growth of an indigenous capitalist class and a level of technology adapted to local circumstances, it ensured the dominance of imported capital and skills and hence continued dependence on the outside world. In this sense the bureaucracy was a primary agent in the creation of the contemporary state of underdevelopment in East Africa.

(v) The Dynamics of Dualistic Development

It remains, at the risk of some repetition, to attempt an overall assessment of the impact of the colonial revolution upon the long term evolution of East African society by relating the concrete material presented earlier to the wider theoretical debate about the nature of the developmental process. This material shows very clearly how colonialism accelerated the integration of African society into the system of international exchange dominated by the leading capitalist powers. It also shows how this system provided these societies with the infrastructure required for the simplest forms of export production and hence with a base for continued exchange with other sections of that system. But what is open to great differences of interpretation are the

23. This tendency is perhaps best examined in East Africa by Cyril Ehrlich, especially in The marketing of cotton in Uganda, 1900-1950, London PhD. 1958; and "Some social and economic implications of paternalism in Uganda," in Jnl. of African History, vol. IV

long term developmental implications of this process from which diffusionist and differing brands of Marxist theory drew very different conclusions. Having presented my own version of the facts, it is now necessary for me to locate my own position in this larger debate.

It seems to me to be incontrovertible that Britain provided East Africa with the infrastructure for its initial step into the international economy on very favourable terms. A great deal in the way of transport and administrative overheads were given free, while subsequent administration was provided relatively economically and with an exceptional absence of the extortion and physical violence so characteristic of the colonial situation in many other places and periods. From this point of view the cases reviewed here present colonialism in its most favourable light. This/should serve to protect the argument against accusations of partiality and to strengthen all of the criticisms to which the material nevertheless give rise.

Although colonialism induced a rapid expansion of the cash economy in East Africa, it has also left behind an economy characterised by continuing and perhaps intensifying structural imbalances, massive and growing inequalities, apparently irreducible dependence on external sources of technological innovation and a tendency towards political authoritarianism and instability.[24] These problems exist in differing degrees in each of the three countries, but none are qualitatively better off than the others and few would predict a trouble-free progress towards something approximating modernisation for any of them. The origins of this situation have to be sought in the nature of the economic strategy imposed upon the region by the choices made by the dominant power groups which controlled it during the colonial period. This power structure required that primary production for the export market be started and it therefore imported the resources required to get this under way very quickly. In agriculture expatriate enterprise was able to monopolise a large percentage of the resources so created in some areas through the introduction of the plantation or settler system; in many others African peasants were able to use them to raise their own level well above that which had existed before. Outside the agricultural sector, however, the expatriate monopoly was virtually complete and the complementary nature of the needs of the British administration and those of the large firms made it possible for a powerful ideological consensus to develop which ensured that the full power of the state would be utilised to maintain this monopoly. In Britain the humanitarian interests groups were able to limit the worst excesses of exploitation in Kenya, but they showed no real understanding of the fundamental issues involved and were therefore totally incapable of influencing the total situation in any meaningful way. The effects of this monopoly, as we have seen, was to limit the African mobility out of the most menial positions and hence to preclude the evolution of an entrepreneurial class of the classic capitalist kind. And the absence of this class in turn meant that the surplus would continue to be monopolised by these expatriate interests and therefore that the indigenous society would display that "weak impulse to modernisation"[25] displayed by so many post-colonial societies.

If this argument is accepted then certain diffusionist theories about development must be set aside. It suggests instead that the interests of many of the dominant expatriate groups in the third world conflict more

24. For an examination of the Kenya case cf. C.T. Leys, op.cit.

25. Barrington Moore's phrase from his origins of dictatorship and Democracy, op.cit., p. xiii

directly with the evolution of autonomous indigenous forces capable of lifting their societies out of their conditions of underdevelopment. Taken to its logical conclusion it leads instead to Frank's assertion that underdevelopment is the product of contact with the international capitalist system, and that it will only be overcome when the linkages created during the colonial period are broken off entirely. But while this material certainly contradicts the theorists who assume that development could follow a simple intensification of the contacts between the developed and the underdeveloped regions, it also seems to contradict some crucial assumptions in the latter position.

In the first place, it is clear that African society was only partially integrated into the capitalist system. In this respect Laclau is correct in pointing out that the creation of relations of servile dependency do not constitute the evolution of the capitalist system proper, but only a bastardised version of it. This in turn implies that the class basis for a socialistic opposition to that system in the forms of an urban or even a rural proletariat will not have been brought/full develop/ through the colonial process. Instead we have the development of a system characterised by capitalist modes of production in a limited number of areas taken over by expatriate enterprises. These dominated the market economy, but the persistence of peasant production in this sector limited the accumulation of capital and emergence of an authentic working class even here. This cash sector then coexisted with an essentially pre-capitalist subsistence sector which provided it with a source of labour during periods of such limited expansion as was to occur, and served as a refuge from unemployment when it was not required. This fact therefore implies that the classical capitalistic revolution had hardly begun to work itself out and that no genuine basis had been created for a socialist revolution of the kind that Frank assumes to be possible for Latin America.

A second problem of the far left position is the difficulty which it has in explaining the emergence of those elements in local society which did come forward in the post-war period to organise the nationalist movement. If colonialism simply extracted resources from the periphery and contributed nothing to the development of indigenous political structures it is highly unlikely that any local elements would ever be able to organise any form of resistance to it. But as Marx showed, the imperial presence performed a double function - its exploitation broke down local structures, but its needs also required the evolution of new structures in indigenous society which would eventually create the nationalism which would ultimately come to question this external dominance. Previous sections have pointed to the areas where such development was possible even within the constraints of British policy in East Africa. The development of peasant production produced the resources required to sustain an educational system and to produce a small but nevertheless critically important group with primary, secondary and even tertiary education by the forties and fifties. Clerical employment in the administration, the educational system itself, and in private business justified these investments and also produced some of the skills required for political organisation. Despite the limits of the system, some opportunities for petty trade did exist for Africans, perhaps more significantly, the limits on trade led to the emergence of African co-operatives in many areas which served to provide a pool of organisational experience which could subsequently be transferred to nationalistic purposes. In the urban sector the prevailing Fabian assumptions about the treatment of colonial labour combined with an essentially capital intensive approach to development created a labour aristocracy which was allowed to evolve a trade union structure which served the same functions as the co-operatives did in the countryside. From all of these groups emerged an African elite, the direct product of the changes induced by the colonial system, and capable of exercising at least some of the skills required for political organisation in the modern sector. And whatever the limits of this elite resulting from the weak articulation of the African entrepreneurial class, its continued existence and evolution depended upon the maintenance of at least some of the linkages with the outside world.

Further, the classic colonial system created not only the group which was to be responsible for the organisation of the movement which led to its replacement, but also for the popular hostility to its presence which made it possible for the elite to mobilise a wide range of the population behind nationalist demands in the more advanced regions. We have seen how this process differed in the peasant as opposed to the settler areas, but the end result was not altogether dissimilar. Again it is important to note that the evolution of this opposition was a function of contact with colonialism and not of distance from its effects, since mobilisation was most intense in the most developed cash-crop areas, and hardly occurred at all in the areas which were out of touch with the cash economy which connected the colonial periphery with the metropolitan centre. This, too, leads us to a view which is rather different from Frank's and much closer to the classical Marxist assumptions about the dialectical nature of the evolution of opposition movements through direct exposure to the contradictions created by processes of capitalistic exploitation.

On the other hand, what has already been said about the weak development of the capitalist system in the colonial context and most especially about its tendency to lock large sectors of the indigenous society into conditions of pre-capitalist dependence is of great importance in explaining the relative weakness of the nationalist response when it did occur. In this respect Frank and Fanon are certainly right to point to the limited nature of the demands made by the national bourgeois class, and the inability in the post-colonial situation to provide an effective basis for an autonomous rather than neo-colonial developmental strategy. This suggests that although Marx's general assumptions about the necessary connection between colonial exploitation and the ultimate emergence of a regenerated local society are historically correct, the obstacles to the full realisation of this local potential are much larger than he assumed. While colonialism necessarily broke down traditional structures, it was also capable of using its very considerable resources to inhibit the emergence of alternative forces capable of challenging its fundamental dominance, particularly in the economic and cultural spheres. Further the contemporary substitution of various forms of indirect control for the classical colonial system continues to impose powerful limitations on the effective development of third world society.

This study has considered some of the factors which have made this possible, it has demonstrates very clearly that only profound changes in social and political structures will make it possible to initiate a self-sustaining growth process. Thus, while some aspects of Frank's analysis must be rejected, those parts of it which relate to the need to change the present basis on which exchanges take place between the developed and the underdeveloped areas must certainly be fully accepted. What is required is not a process involving total separation, but one in which indigenous social forces are able to create a political basis which is strong enough to enable them to change the terms on which these cumulatively unequal exchanges now take place. The establishment of new systems of government based upon the nationalist movements of the forties and fifties were a necessary step in this direction, but the weakness of their social and economic base has limited the changes which they have been able to induce in the structure of the colonial political economy. The contemporary East African governments have adopted increasingly different strategies in order to attempt to solve this problem; all of them face great difficulties and, in all probability, the intensification of internal conflict as they do so. There is no point in attempting to predict the outcome of these efforts, or to look in detail at their differences, as this would take us too far afield. What this does suggest, however, is that the processes of social differentiation inside these societies will have to proceed much further before an effective base will emerge for a popularly based and possibly radical attack upon the problems which now beset them. This study has attempted to look at the events which served to create the framework within which this struggle is to take place and thereby to improve our understanding of how it should be conducted.