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LAND RESettlement AND DEVELOPMENT STRATEGY

IN KEYA.

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Land Resettlement and Development Strategy
in Kenya

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The transfer of land in the former "White Highlands" from European to African occupation has been fundamental to the transfer of political power in Kenya. The political importance of this resettlement did not derive solely from the desire of African nationalist leaders to remove European settlers from land allegedly stolen by them or from the need to mitigate the threat to political stability posed by growing numbers of landless, unemployed Africans. Of equal or greater political importance has been the opportunity the resettlement program afforded European settlers to escape the feared consequences of African rule.

The political and social significance of land resettlement does not end with the transfer of political power but extends to the post independence drive for development. Since independence the emphasis on settlement schemes has been on equalling or surpassing the production and employment levels set by the previous European farmers, thus to confound widespread pessimism about the economic prospects of the schemes. In this paper I shall argue that political and social considerations are as important to the post independence economic success of settlement schemes as they were in the initiation of this land transfer before independence. In the first section I shall try to show the role of land resettlement in the de-emphasis of these social and political considerations; in the second, to show the consequences for settlement of this de-emphasis.

Resettlement and the Transfer of Power

The three phases in the evolution of the settlement program have been directly related to the important changes of political mood that have marked Kenya's transition to independence. The first phase was the "low density" program agreed upon in principle at the 1960 Lancaster House
Conference and implemented in 1961. These schemes were scattered throughout the highlands on high potential, underdeveloped land. Settlers were required to possess farming experience and some working capital to qualify for plots from which they could expect to derive £100 of income after subsistence and loan repayments. These schemes reflected both the policies and the problems of European inspired multi-racialism in Kenya. By scattering schemes throughout the highlands and making use of high potential-underdeveloped land, "low density" settlement contributed simultaneously to racial integration in agricultural areas and agricultural development. But the program accommodated only a limited number of comparatively prosperous African farmers, very little relief of rural unemployment was undertaken, and it strongly reflected the European objectives of diminishing the force of African nationalism and making possible substantial continued European farming in the Highlands.

The "low density" program became inadequate almost as soon as it was initiated because the dimensions of African landlessness and unemployment increased, exacerbated by increasing European uncertainty leading to near cessation of development and decreased employment on European farms. Independence was to come sooner than expected, and the long range objectives of multi-racialism were displaced by increasing European right wing demands for U.K. funds to assist both European farmers wishing to sell and emigrate and those seeking insurance against post independence expropriation. Great Britain responded in July 1962 with the "million acre" program of "high density" settlement for an additional 30,000 Africans, required to be landless and unemployed, on plots capable of producing £25 to £70 net income. The third phase, begun concurrently was initially undertaken for humanitarian and security reasons to enable elderly, incapacitated, and isolated farmers to sell their farms. Many have been sold to individual farmers rather than subdivided for settlement schemes in order to maintain economies of scale. Since independence such transfers have continued either to individual farmers or to groups settlers farming as cooperative societies.

Together, the three phases have accommodated 35,000 African farmers and about one-third of the European settlers. The schemes have extended the "spheres of influence" of all major tribal groups, although the Kikuyu have
benefitted most. 40% of the total cost of £22,000,000 has been met by British government grants; the remainder by loans from the World Bank, the Commonwealth Development Corporation, the West German Government and the British Government.

Land resettlement contributed to important strategy changes by African leaders during the transfer of power partly because of the awkward position in which the settlement program placed them. Initially, the African leaders said that resettlement was acceptable but not as a final realization of nationalist goals regarding land, that settlement could not preclude “further changes” after Uhuru. Thus they tried to steer between accepting a program inspired by officials and European leaders whose motives they distrusted and maintaining the support of lower echelon politicians whose free land demands most of them knew were excessive. They did not discourage settling schemes Africans in the Highlands but observed the “low density” aided landed, not landless, Africans. African leaders approved the removal of established racial land barriers but were wary of attempts to demobilize African nationalism before its principle objective, political independence, had been achieved. Most leaders saw the inadvisability of expropriating European farms but many found it politically difficult initially to present this view to their followers. This ambiguity in the African position heightened the fears of right-wing Europeans, and strengthened their hand in London and within the European community at the expense of the multi-racialism advocates. This influence led to the second phase or “high density” settlement.

This new and much larger phase of resettlement helped draw African leaders away from maintenance of nationalist policies and toward reconciliation with European adversaries of African nationalism, toward a new spirit of non-racialism. As independence approached, African leaders increasingly realized their own interests lay in de-emphasizing further resettlement. Nationalist pressures had enabled right-wing Europeans to secure a program substantially increasing the financial burden on the future African government and diverting development funds away from African areas to the European Highlands. If the political necessity of a second million acre scheme were proved to the U.K. Government by Europeans, the resulting financial obligations to the U.K.
Government and the priority which European interests would gain over those of farmers in the African areas could only weaken the independent African government and the prospects of post-independence political stability.

Gradually, therefore, African leaders decided that political stability would result from territorial stability rather than territorial expansion of African areas, from economic development of existing rather than new African areas. Territorial expansion had both political and economic costs. Politically, the departure of European farmers removed the buffer between the large and small tribes, expanded principally the land of larger, densely populated and therefore land hungry tribes, and recognized nationalist land claims -- but at the cost of heightening fears of smaller tribes whose lands had been protected by the European buffer. Economically, redevelopment of European areas by Africans was thought to be less promising than further development of existing African areas because most of the best land was in the latter and because the prospects of settlement schemes were viewed with pessimism.

Conversely, territorial stability had both political and economic benefits. With delay of independence no longer feared, settlement no longer threatened African nationalism but rather post-independence political stability. Emphasis on territorial stability rather than territorial expansion implied the security of existing tribal lands and the assuaging of fear based on tribal expansion. Larger tribes would accept territorial stability because they had gained through resettlement and all tribes gained the promise of assistance to their economic development. Economically, territorial stability and development of existing areas implied that competent remaining European farmers could continue their contribution to the country's development, a contribution particularly valuable in offsetting the initial economic problems of settlement schemes. Furthermore, development of existing African areas meant that funds could be channelled to the Africans where the economic potential was greater.

Thus, even before independence African leaders de-emphasized settlement as part of an evolving policy designed to achieve post-independence political stability through economic development of existing African areas.
and territorial stability rather than further expansion. Implicit in this policy were a new spirit of non-racialism under which contributions to economic development by all races have been welcomed and a policy of reconciling political differences in the nationalist movement to facilitate contributions by all ethnic groups to development.

POST INDEPENDENCE DEVELOPMENT STRATEGY

Post independence policy continues the emphasis on economic development of former African areas in preference to the resettled areas and expanding African areas by further resettlement. Economic development is also emphasized by comparison to social change and political development. In the Development Plan 1966-70, the emphasis on former rather than new African areas is justified by the greater agricultural potential of the former African areas. Economic development is given greater emphasis than social change because the creation of greater economic opportunities is thought to be the *sine qua non* for social change. "If projects do not offer benefits in excess of their costs, they cannot contribute to economic development and it is unlikely that they would make a substantial contribution to social change and improvement."1

Four implications follow from this strategy. First, social change is defined in economic terms. The "social approach" to economic development in the plan means "to involve the people of Kenya at every step and to an increasing extent in the economic development of the nation." Second, social change is assumed to follow naturally from opportunities for economic development. The plan does recognize the importance of changing traditional behavior patterns. But it argues that economic opportunities are sufficient in themselves to bring about these changes: "Development of the monetary economy will in itself generate opportunities that were not available in the traditional subsistence economy. These opportunities will in turn induce changes in behaviour patterns and incentives by making available to people a range of consumer goods that were not available to them before and by

1 Kenya Development Plan 1966-70, p. 57.
2 Ibid., p. 56.
opening markets in which they can sell their increased production." Third, social change is to take place primarily through institutions designed for economic purposes. These institutions include schools, credit organizations, self-help schemes and cooperatives, and are justified in each case only by their place in the economic structure of the country. Fourth, since there is no discussion of political organizations, it is inferred that political organizations and processes have no role in the development process.

The success of this development strategy depends on its ability to elicit the popular participation necessary to achieve the desired levels of economic development. If participation is to be achieved, the institutions through which economic development is to be achieved must satisfy two basic requirements. They must translate economic opportunities into reality for the individual participants, and they must be channels suitably designed to permit and encourage participation by individuals in the development process.

Participation, however, can be achieved in at least two ways: (1) development of existing economic assets by the present owners, or (2) transfer of assets to new owners. The former approach implies assisting greater economic participation by those persons already in possession of economic assets who may not be fully involved in the modern economic sector. The latter, assisting persons without significant economic assets to acquire them as a prerequisite for participation in the modern economy. The present emphasis of rural economic development on former African areas means employing largely the former approach. The settlement schemes are the principal example of the latter approach.

The settlement schemes test the relevance of the development strategy to the task of achieving participation in the modern economy by transferring economic assets to new participants. The conversion of the highlands from European mixed farms to African small holdings raises a question as to whether the economic institutions employed by relatively large scale farmers have been converted to the peculiar requirements of the new small farmers.

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2 Ibid. p. 60.
Furthermore, most settlers are either newcomers to the modern economy or have experienced it only indirectly as employees of former European farmers. This prompts a question whether or not the institutions, particularly co-operative societies, designed to channel rural participation in the modern economy are effective with new participants.

Settlement Schemes: The Incomplete Transformation

A preliminary appraisal of economic development on the settlement schemes suggests that economic institutions have not fully succeeded in translating economic opportunities into reality for the settlers nor have they induced full participation by them. This has happened partly because opportunities for economic development have in practice been limited and partly because the assumptions of the development strategy regarding social change appear somewhat unrealistic.

A. Problems in the Economic Structure

When the high density schemes were established, it was widely held that they would not be economically viable. Especially within the last year, however, some high density schemes, particularly on the Kinangop, have produced crops in excess even of their quotas. Pyrethrum quotas, unfilled a year ago, have in some cases been doubled and trebled. Milk production substantially exceeds contract requirements on most Kinangop schemes.

Where such economic performance occurs, attention is called to the schemes' limited opportunities for further economic development. Overproduction in relation to quotas and contracts prevents the settlers from participating fully in the cash economy and is a depressant to development. Output also exceeds drying facilities for pyrethrum and canning facilities for milk with a similar effect. The deficiencies may well be remedied in time and merely reflect underestimation of production prospects. For pyrethrum, however, the value to the settlers of their increasing responsibility for production of this crop is qualified by the prospect of a diminished market resulting from the imminent competition of a Japanese synthetic. Forward planning may be necessary to adjust these scheme budgets for possible diminution of the market.
for their principle crop. Milk production is adversely affected by the complexity of the marketing system. Prices have varied considerably depending on whether output was intended for sale as fresh milk, as manufactured milk, or for conversion to butter. They have also varied depending upon whether the farmer possessed a quota or a contract. Quota prices have been higher because the farmer undertook to contribute to the supply of fresh milk for sale throughout the year and to pay a penalty for non-delivery. Quotas are still used, but the Kenya Dairy Board now sells only contracts carrying no penalty for non-delivery and therefore a lower price. High Density settlement schemes operate therefore on contract, but settlers know about these price differentials without understanding the reasons for them. Politicians are therefore able to depress the incentive of producers by spreading rumours of price differentials. Marketing of general produce through central organizations is beset by communications problems. Settlers distrust the system whereby produce is evaluated and accepted or rejected at the central depot rather than on the schemes and also the delays in payment. Private traders reject crops or accept and pay for them on the spot. Settlers prefer the latter even though the size of the market or the price may be lower.

The problems of settler participation in the cash economy occur not only in marketing but also in production. One hindrance is the shortage of tractor equipment which is insufficient to plough more than half the arable land on most schemes. On some schemes, settlement cooperative engage outside contractors for ploughing and harvesting, but their ability to do so is hampered by their weak bargaining position. Where a crop like wheat is involved, rigid timetables for ploughing, planting and harvesting prevent the cooperatives from dickering with contractors over terms of service. The inexperience of settlers with such contracts, however, increases the chances of misunderstandings and therefore unacceptable delays. Delays are caused, in any event, by the frequent impassibility of scheme roads. Such difficulties frequently diminish or eliminate the settlers' profit with predictable effect upon incentive.
These economic difficulties prevent the full participation of settlers in the cash economy. The main problem is therefore not to encourage cash crop production but to ensure that such difficulties do not destroy the incentive he has acquired. Perhaps agricultural planning presently underestimates the incentive of the farmer to produce cash crops and overestimates the suitability of existing economic arrangements for encouraging that incentive. The problem might perhaps be tackled in two ways. First, more agricultural education resources might be devoted to educating the farmer to the nature and problems of the economic process in which he is to participate. Particularly where farmers have shown willingness and ability to produce cash crops, this course might have beneficial effects on his ability to deal with the problems of such participation and therefore on his incentive. Second, removal of disincentives to production could be a principal objective in the allocation of remaining loan funds for settlement. For example, in the Xinanrop drying facilities for horticulture and tractor equipment should receive first consideration. Objects of settler suspicion such as milk price differentials should either be adequately explained as to eliminate distrust or corrected by allocating additional contracts or by directing settlers' efforts to the production of other crops.

**P. Problems of Social Change**

The theory that economic opportunities with induced social change leading to economic development assumes that development institutions translate these opportunities into reality for the participants. But development at the grass roots level on the settlement schemes is diminished not only by economic difficulties but also by an hiatus between administrative priorities and social requirements of the settlers. The administrative officers emphasize (1) production, (2) loan repayments, and (3) curbing the activities of dissident politicians. But the settlers' requisites for participation are very different: First, they require sufficient knowledge of the development process in which they take part and its difficulties if they are to combat ill-informed rumours spread by self-interested politicians. Second, instruction is needed not only in the importance and purpose of cooperative societies but also in ways and means by which they can take part in the society's activities.
Settlers might not resist election to leadership positions if instruction were
given, for instance, on how settlers can deploy manpower on their shanbas so
as to compensate for their absence. Third, encouragement is needed for community
development projects designed to overcome lack of trust among settlers which
weaken the cooperative societies.

Those unfulfilled social requisites leave settlers largely unprepared
to participate effectively in the development process. Lack of preparation
seems to stand behind the better known difficulties of the schemes: diversion
of loan repayments to inappropriate uses; use of society's equipment for
private rather than public purposes; frequent changes in society leadership
and its bankruptcy and embezzlement of funds. Point some structures in the
society, unfamiliar with the process in which he takes part, and unprepared
to participate in the operation of the cooperative societies, the settler's
behavior tends to be guided by unqualified self interest. The lack of
qualification seems largely responsible for many of the difficulties.

Although substantial economic incentives through development loans,
advisory service, and agricultural education have been offered, settlers
have not apparently undergone the social change necessary to effective
participation in development. Economic incentives by themselves are sufficient
to induce production increases. Full participation, however, seems to include
more than mere production and to be beyond the reach of purely economic
incentives. The assumption that economic opportunities induce social change
therefore seems to be oversimplified.

C. Problems of Administration

Since the settlers are not prepared to participate effectively in
the cooperative societies, leadership remains in the hands of the scheme
administrators. Since administrators are dependent upon movement for their
position, they naturally tend to observe requirements and restraints set up
by their superiors rather than represent perceived requirements of settlers to
the administration. From the settlers' point of view, therefore, a leadership
crunch exists, proof of which lies in the hiatus between settler and administra-
tive priorities.
This conflict of priorities reflects a fundamental disparity between centrally defined goals and some local prerequisites for economic development. Progress on loan repayment, for example, relates to a fundamental political objective of post-independence development: eliminating and preventing "colonial" relationships with more developed countries. It is not the loan but the circumstances in which it was contracted that the Kenyan government views with concern. "The settlement process was inherited from the British and was designed more to aid those Europeans who wanted to leave than the Africans who received the land. Our land problems should not be settled on terms decided in the United Kingdom. Instead our policies and plans in agriculture should be determined by our need to develop and financial support sought for these plans from several sources." The settlement loan is viewed as a vestige of colonial authority, contracted in the interests of non-Kenyans, and contrary to Kenya’s principal objective of development. Removal of the loan obligation removes the vestige of colonialism and furthers the policy of non-alignment.

The difficulty arises because emphasis on loan repayment helps to substantiate the view that settlement because it does not make an efficient contribution to development, is not in the country’s best interests. Although some schemes have demonstrated ability to produce bumper cash crops, emphasis on loan repayment puts at least a temporary ceiling on further economic assistance for scheme economies. Water reticulation, pyrethrum dryers, and tractors are all investments of direct value in realizing maximum production on schemes. Although some progress has been made in equipping schemes with such production aids, the process is slowed down because crop proceeds which might be directed to these ends are absorbed by repayments. From the administration point of view, therefore, production excess of budgets and of processing and marketing facilities is an embarrassment because it stimulates the demand for additional development with which loan repayment obligations compete.

Loan repayment drives a wedge between central goals and local prerequisites for development only if development is conceived in purely economic terms and if existing loan obligations are considered a bar to further investment in economic development. If these conditions apply, the Plan's concentration on economic development is unwise, in the case of settlement, since increased production cannot be accommodated. Since social change does not in any event appear to follow economic development on the schemes, administrative priorities might advisably be altered to concentrate more directly on problems of social change. Limitations imposed on the pace of economic development might profitably be turned to advantage by inducing requisite social change preparatory to the next stage of economic development.

Problems of Cooperative Societies

The problems of coordinating social and political change with economic development come to institutional focus in the settlement scheme cooperative societies. The societies are set up to perform such functions as marketing produce, supervising whatever processing of produce takes place on the scheme, operating scheme stores, supervising artificial insemination and dipping of cattle, and coordinating loan repayments. A cooperative society is headed by an elected committee comprising a chairman, a secretary and as many as 10 other members. The committee supervises a number of paid employees of whom the bookkeeper is perhaps the most important. The societies are supervised on behalf of the Department of Cooperative Development by cooperative officers and their assistants.

The common judgement on cooperative societies is that they suffer from inadequate management, and the members and elected officers from inadequate training. Such judgement is based on weakness and instability of cooperatives' elected leadership, widespread financial abuses often perpetrated by the leadership, and incapacity to manage the technical side. Steps have been taken by the Department of Cooperative Development to tighten financial control of societies by the Department and, to a lesser extent, to train elected cooperative officers for more effective general management.
The problems are more complicated than lack of training and administrative control. On the one hand the elected officers, relative to other settlers, do not lack educational attainments. While most settlers have been educated no higher than standard four, elected officials and bookkeepers generally have at least standard six and often some secondary education. Education of such persons for society leadership should not therefore be an impossible task. Similarly management can easily be justified in the short run but, given the stated objective of the government to increase the responsibility of the societies for their own affairs, policy must eventually turn to improving rather than replacing leadership of the societies.

Despite the apparent leadership potential, settlement cooperatives have remained weak and the leadership has not been forthcoming, fundamentally because of the hiatus between administrative priorities and social requisites. The unfulfilled social requisites weaken settlers' support for the societies, especially when they are rushed by administrators into unpopular courses of action such as deducting substantial percentages of settlers' profits to meet loan obligations. The same deficiency increases the blame settlers place on the societies for problems of marketing and processing. Settlers therefore do not see societies as any improvement over middlemen, and in fact, many prefer to sell to middlemen thereby further weakening the societies. These sources of weakness feed sometimes potent opposition to the cooperative society centering around local 'politicians'. Opposition to societies is strengthened by evidence of corruption among elected officials creating leadership instability. Such corruption is increased because of reluctance of settlers on economic grounds to leave their shambas for society duty. Elected leaders often respond either by resigning prematurely or by taking compensation for themselves through embezzlement. These weaknesses make the societies dependent upon the administration for sufficient authority to carry out their enterprises, thereby weakening the only channel through which settlers' problems can be represented effectively to the administration, marketing organizations, or local government.
Since necessary social change does not appear to follow economic inputs, the absence of such change and the presence of economic problems strengthens tacit and active political opposition to the institutions of economic development. The apparent assumption of development strategy that political organizations have no place in the development process exposes the development process to dysfunctional political activity in the fact of development problems. Attention to social requisites perhaps by more effective use of political leaders might help to create the degree of social change required for the next stage of economic development and shield the process of economic development from political activities which are dysfunctional to development.

CONCLUSION

Return of the "White Highlands" to the African people was a central objective of African nationalism in Kenya. Land Resettlement which in fact helped realize that objective was nevertheless initiated primarily to serve the interests of European farmers who wished to leave Kenya because they feared the consequences of independence. As independence approached African leaders began to de-emphasize expanding African areas by resettlement because of the interests it appeared to serve, the financial burden on the independent government, and the greater economic potential of existing areas. Emphasis on development of existing rather than new areas diminished the land based fears of tribes supporting KANU and of remaining European farmers and paved the way for the reconciliation of both with KANU.

The emphasis on economic development of former African areas has continued into independence and this has in turn meant emphasis on increasing participation of the modern economy by developing existing assets rather than transferring assets to new participants. Settlement development, however, is a major test of the latter approach. The development strategy emphasizes a "social approach" to economic development which means that social change admittedly necessary to economic development is assumed to be induced naturally by creation of economic incentives. On settlement schemes, however, social
change seems not to follow economic inducements in this way, but merely to 
stimulate production. Absence of social change permits negative political 
opposition to interfere with the loan repayments that must be met before 
further investment in economic development can be contemplated.

An alternative and perhaps more appropriate strategy would use 
the temporary ceiling on further economic development as an opportunity to work 
directly on social requisites for economic development in order to remove the 
bases for political activity presently dysfunctional to development and to 
provide a basis for future economic development.