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ASPECTS OF ECONOMIC
DEVELOPMENT IN AFRICA

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I regret that it has not been possible for me to be present here to read my paper and to participate in the discussions of this conference which I am sure will be both interesting and stimulating.

This paper is not the product of any specific piece of research, nor is it a developed and carefully documented study of a particular topic. It is merely a statement of some aspects of economic development in Africa which arise from the dualistic character of the economies of most African countries where traditional subsistence farming and a modern market-oriented money economy are found in close juxtaposition. I have selected aspects which I hope may be useful in stimulating discussion in a multi-discipline conference such as this.

The impact of the world economy upon Africa

Rome conquered and advanced northwards, bringing mediterranean civilization to the greater part of western Europe, but Carthage and Alexandria were prevented from performing a similar service for their continental hinterland by the Sahara and Libyan deserts. Thus European contact with Africa was made by sea; but, apart from the coastal fringe, Africa was untouched by the modern world until the latter part of the nineteenth century. Livingstone's travels were from 1849-73, Stanley's from 1871-89; the first white settlers moved into Southern Rhodesia only in 1890; Kenya was formally claimed by Britain in 1895; Northern Rhodesia in 1899; Lugard established British rule in Northern Nigeria in 1903; and mining in Katanga and the Copper Belt began in 1911, and the railway from Lagos reached Kano only in 1912.

Professor Rostow¹ has argued that a primitive society must pass through a transitional period during which it prepares itself for a modern economy by cultivating the appropriate intellectual and cultural background, and in which political and economic institutions, capable of supporting an advanced exchange economy,

1. W. W. Rostow, *STAGES OF ECONOMIC GROWTH*, Cambridge University Press, 1960.

are developed. The so-called industrial revolution in Britain between 1760 and 1830 was an indigenous product, based upon the gradual evolution of techniques and of appropriate institutions during the three previous centuries. The impact of the twentieth century in Africa has come, however, with a cataclysmic suddenness upon a society wholly unprepared for it. Current technological advance is not represented by the introduction of Hargreave's spinning jenny or Watt's steam engine, but is in the realms of nuclear physics and space travel. Moreover, the forces now operating in Africa are not an indigenous growth, but are of foreign origin, and the inevitably difficult tensions and adjustments are often further bedevilled by xenophobia and strident nationalism.

Before the advent of the European the greater part of Africa was pre-feudal; material needs were met by a subsistence economy based upon hoe cultivation and semi-nomadic pastoral farming; intellectual life, hampered by the lack of the knowledge of writing, was a conservative tradition handed down by word of mouth. It was based upon a belief in magic and the propitiation of the spirits rather than on physical causation and scientific enquiry. Technology was rudimentary - the technique of smelting iron had been developed in many parts of the continent, and weaving of grass and cloth had reached a fairly high level as local handcrafts, but the wheel was unknown and no attempt appears to have been made to harness wind or water power. Transport was by canoe or headloads carried by man, or occasionally by pack animals; and, for the most part, communications, travel and trade were limited to the immediate locality. Money was almost unknown in the interior and most trade was by barter. Above all the whole population of tropical Africa was debilitated by disease.

Within half a century all this has changed. Modern medicine is in process of revolutionizing the health of the people; money is today used throughout the continent; roads, railways and air transport have led to an ease of movement of men and goods inconceivable a few years ago. The independent isolation of a subsistence economy has begun to give place to dependence upon imported clothing, domestic utensils, tools and machinery, acquired in exchange for exports of minerals and certain agricultural products like coffee, cocoa, tobacco, ground nuts and palm oil. This is the economic revolution taking place in Africa today; and yet, in essence, the life of the vast majority has changed but little.

The uneven incidence of development

Perhaps the most striking feature of the impact of the culture and industrial technology of the modern world upon Africa has been the unevenness of its incidence. There has been no gradual spread of western economic ideas through the countries as a whole, but on the contrary development has been highly concentrated in a few industrial islands where, under European initiative, rapid economic development has occurred, usually associated with production for export. This fact is often cited as an example of 'colonial exploitation', but it rests upon the hard economic reality that in a subsistence economy there is no market for which to produce. We in South Africa know from our own history that production for our own domestic market did not occur until that market was created by the large urban concentrations of population associated with the export industry of gold mining. The Witwatersrand, the Copper Belt and Katanga are the supreme examples of great centres of industrial development, but throughout the continent there are many lesser centres of trade, industry and modern enterprise. These, however, have had remarkably little effect upon productivity and in stimulating better farming methods in the surrounding subsistence economy. Indeed, their main effect has been the negative one of attracting labour away from agriculture. It is this contrast between these enclaves of the world economy and the vast areas of subsistence economy which still surround them, that justifies the use of words like 'dual' and 'dualistic' in referring to the present economic structure of most African countries.

Thus today in most of Africa there are two economies. One is a modern market economy using modern methods of production employing a relatively large amount of capital and showing a high per capita output from the labour employed. This economy, both in its mining and industrial sectors and, where there have been white settlers, in its agricultural sector, is almost wholly in the hands of non-Africans - Europeans, Asians and Syrians - even in countries like Liberia and Ethiopia which have not been colonial territories. The other economy is the traditional subsistence economy characterized by its primitive methods of production and low per capita output. In some countries a cash crop has been successfully introduced and is produced by African farmers, but it is reliably estimated² that about 70 per cent of Africans in tropical Africa still live almost wholly within the orbit of their traditional subsistence economy.

2. ENLARGEMENT OF THE EXCHANGE ECONOMY IN TROPICAL AFRICA, U.N. 1954, p. 17.

Political independence and new demands

The new political leaders of Africa are for the most part young men who are a product of western ideas and who wish to see Africans take a place of equality with the other people of the world. They wish to see Africans enjoy the high standard of living which they have seen in western countries and which Europeans in Africa have in the past enjoyed, but the majority of them have been more concerned with political matters than with the economic foundations upon which a modern state is built. Moreover being themselves the product of urban society most of them think in terms of establishing great industries or of grandiose schemes such as the Volta River or Owen Falls, but as the figure cited above clearly indicates the real problem of Africa, at least in the first instance, is how to increase the productivity of agriculture. Unless this is done how are the industrial workers of the future to be fed? In South Africa the problem has been solved by the remarkable agrarian revolution that has taken place in the White farming areas where soil and pasture improvement since the 1930's has been such that the increased productivity can not only feed the rapidly increasing urban population, but also provide food for the reserves where productivity continues to decline. Unfortunately the African intellectuals tend to look down upon agriculture.³ In their struggle for independence they have been prone to attribute African disabilities and poverty to 'colonialist oppression' and to make extravagant promises that when 'freedom' is attained all will be well and their country prosperous. The blasphemous, but often quoted, statement of President Nkrumah⁴ 'Seek ye first the political kingdom and everything else shall be added unto you' is typical of this attitude. With the rapid attainment of independence these men have now to face the harsh economic reality that they and their people desire a standard of living that is much higher than their countries' economies are at present capable of supporting. Their problem is made more acute by the fact that the admittedly imperfect statistics of tropical Africa seem to indicate a more rapid increase in population than hitherto, which is not being matched by an increase in food production.⁵

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3. In 1953 there was a faculty of Agriculture at the University College of the Gold Coast with a staff of sixteen, but not one single student.
 4. I believe this is inscribed on the statue of President Nkrumah in Accra.
 5. See REVIEW OF THE FOOD AND AGRICULTURAL SITUATION IN THE AFRICAN REGION, F.A.O. Paper ARC 60/2(a) Lagos 1960.

The political leaders are becoming increasingly aware of these economic problems and there is a growing sense of urgency. They are young men in a hurry, because they see their newly attained freedom threatened by the lack of a solid economic foundation. They earnestly desire the rapid transformation of their economies from low-productivity subsistence farming to market-oriented and efficient production. They find that almost without exception the efficient sectors in their national economies are controlled by non-Africans and they face insistent pressure for the rapid Africanization of these industries and services. While there may be some truth that in the past foreign firms have been too inclined to recruit the higher staff solely from among their own nationals, there is a very real danger that too rapid Africanization may impair the productive efficiency of the exporting and advanced sectors of the economies. The plain fact is that there are not as yet sufficient Africans with administrative and entrepreneurial abilities to fill the need.

Then too they realize that the transformation of their economies requires vast capital formation, but domestic capital formation is inhibited by poverty and the lack of investment opportunities inherent in a subsistence economy. These difficulties have been ably stated by many economists.⁶ They therefore look to foreign investment to bring about the transformation, but here too they encounter great difficulty. Their fear of foreign influence and intervention is such that foreign investment is often regarded as an attempt to substitute economic imperialism for the political dependence they have just succeeded in shaking off. Even schemes of collective investment by the European Economic Community have been described as 'neo-colonialism'. Indeed, although they ardently desire foreign investment, they are often reluctant to accept it upon the only terms upon which it will be forthcoming. Thus, just at the moment when Africa needs capital and skilled man-power most, there are signs that the supplies of both are being reduced as Europeans withdraw from the African scene. Indeed, if like Tanner in *MAN AND SUPERMAN*, one were to prepare a handbook for African revolutionaries, the first maxim must surely be 'Don't kill the goose that lays the golden egg'.

6. See in particular R. Nurkse: *PROBLEMS OF CAPITAL FORMATION IN UNDERDEVELOPED COUNTRIES*, Blackwell, Oxford, 1953.

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Some difficulties in effecting a transformation of the subsistence economies

In the growing literature on the relationship between economic development and cultural change mention is often made of the fundamental difference which the use of money makes. This is of course important, but its significance can easily be exaggerated, because it is relatively easy for a people to accept the use of money without its having any radical effect upon their culture or their subsistence economy.⁷ There are, however, certain things for which money is an essential prerequisite, but which are by no means a necessary consequence of the introduction of money. Three important concepts which require a money economy for their development, but which do not arise spontaneously as a result of the use of money are the concept of production for a market, the concept of long term saving and investment, and the concept of wage-labour. It is the introduction of these ideas which radically transforms a subsistence economy, and indeed it would appear that all three of these changes are essential for the effective modernization of African agriculture.

In subsistence agriculture each family, extended family or small group, provides everything required for its own support. Production is undertaken to provide directly for the immediate needs of the group, and thus a strictly limited goal is fixed for productive effort. In these primitive agricultural communities there is always the haunting fear of famine, and adequate food is almost synonymous with the wider concept of 'security'. Yet there is no incentive to increase production and to save for the future, because of the almost insuperable difficulty of storage of food, particularly in tropical Africa where white ants and mould, and other hazards are ever present. Westerners (and Asians) often regard Africans as lazy and prodigal, but why should one work to produce more than is required when there is no way of disposing of the surplus? Why not be prodigal with that which otherwise would only go to waste? In the environment in which they have lived, forethought and economic planning seldom extended beyond making provision for next year's seed, but how could it have been otherwise? With the advent of money these limitations can be overcome. Money facilitates the

7. Money is used widely throughout the reserves in South Africa, but it has not affected the quality of farming, because most of the money is derived from wage employment in the cities.

development of an effective exchange economy, and with a readily acceptable currency it is possible to extend the area of exchange, so that one man can dispose of his surplus to others who are short. In place of the limited goal of providing for the family's subsistence needs there is now no limit on the demand side to the volume produced, for any surplus can be disposed of for cash. This should provide a stimulus for increased production, and in certain areas the advent of a market and transport facilities has evoked this response, for example, cotton in Uganda, and cocoa in Ghana, and ground nuts in Northern Nigeria. There are other instances, however, where no such expansion in agricultural production has occurred. African areas in the Ciskei have had a hundred years of contact with a market economy, yet little successful cash production has taken place; instead, when they need money, the men go to work on the mines. It is clear then that markets and transport are not in themselves sufficient to transform an economy.

The advent of money also offers new possibilities of saving and conserving for future use or of building up the productive capacity of the economy. There was little round-about production (in von Bohm Bawerk's sense) in the subsistence economy; and, as has been mentioned, foresight was generally limited to a single season ahead. Shifting cultivation and semi-nomadic pastoral life tended to inhibit permanent construction. Cities like Kano, whose mud walls have stood a thousand years, are the exception rather than the general characteristic of Africa. If Rhine castles may be taken as a symbol of western Germany, a mud hut with a life span of a year or two and a patch of superficially cultivated land is the symbol of most of Africa.

The development of the capacity for real capital formation is difficult for a people who have in the past had no long-term investment goals. Africa has never been subjected to the influence of the puritan teaching on the twin virtues of hard work and frugal living, which had so marked an influence in laying the foundations of the modern economy in anglo-saxon countries. Laborare est orare and the discourses of Baxter, Steele, and others may sound a little priggish to our modern ears 'Next to saving his soul/a man's/ care and business is to serve God in his calling, and to drive it as far as it will go', 'Prudence and Piety were always very good friends', 'Luxury, unrestrained pleasure, personal extravagance, can have no place in a Christian's conduct'.

8. R.H. Tawney, RELIGION AND THE RISE OF CAPITALISM, Murray, London, 1929, pp. 242 et. seq.

Nevertheless the inculcation of the virtues of industry and frugality are the essential prerequisites for economic advance in Africa.

Then too the advent of money brings the possibility of a change in the land tenure system. Land tenure is a vast topic and there is time here to do no more than draw attention to the fact that in a peasant subsistence economy the size of a family holding is limited to the area which that family's labour can cultivate. This is usually much too small for sound rotational farming and the use of modern machinery. With the advent of money a progressive farmer can extend the size of his holding of land and hire men to work for him. In this way the size of the agricultural land unit may be enlarged until it reaches the technical optimum. Either this must happen or some system of collective or co-operative farming must be introduced if agriculture is to be modernized. The Gezira scheme is a model of the successful combination of peasant units with the advantages of large-scale farming. The absence of private ownership of land in most parts of Africa undoubtedly hinders its most economic use, but the large landowner and the debt-burdened tenant of Ethiopia or India is also to be avoided.

The need for a radical change

The fundamental interrelatedness of all aspects of society must not be forgotten. It is sometimes suggested that it should be possible to modernize agriculture without making radical changes in the traditional social structure. But modern agriculture is the product of modern society and rests upon chemistry, physics, biology, genetics; and upon teaching in schools and universities; upon research; and upon the scientific and experimental approach to man's environment. The technology of modern Europe and America cannot be grafted to the tribal structure and expected to make a successful union because they are incompatible. The tribal root system cannot support, let alone nourish, the enormous top-growth of a modern economy with its intertwined branches stretching over the whole civilized world. To make a modern economy you must make a modern man. Communal grazing is incompatible with selective stock breeding, tribal land tenure and small holdings are unsuitable for modern agricultural machinery. Traditionalism must be replaced by individual or collective initiative and innovation.

South African experience over the last hundred years has produced some lessons of great importance to the rest of Africa. We have found that with good management, training and sympathetic instruction it is possible to transform an African from the traditional subsistence economy into an efficient miner or industrial worker. Some recent experience in well-run factories seem to indicate that the African can become a highly efficient machine operative whose productivity is on a par with workers in Europe or America. These successful changes have however taken place outside the traditional society and have been achieved by integrating him into a new modern western type economy. It has even been possible to turn Africans into highly efficient farm labourers, but only, with rare exceptions, on farms owned by Whites which are oriented towards market production. In contrast to the striking increase in African efficiency in the modern sector of the economy, the traditional farming in the reserves, in spite of heroic efforts by agricultural schools and field demonstrators, has so far shown no improvement in productivity.

It would seem to indicate that in the traditional setting institutional and social forces inhibit the development of attitudes of mind essential to efficiency in a modern economy. Once removed from these, the African has shown remarkable adaptability.

Dr. Clark Kerr has written⁹

' The real problem is not the adaptability of man, which is almost infinitely greater than we once supposed, but the suitability of institutions and their policies

The secret of the Bantu, and other rapid and largely successful transitions to industrialism is the great adaptability of man. It is not the resistance to change, but the acceptance of change that is more remarkable. The real problem is not in the adjustments to be made by men, but in the effectiveness of social processes and the suitability of institutions. Individual man is generally better at making his adaptations than society is in adapting processes and institutions to the new requirements of the emerging industrial order.'

9. Clark Kerr, 'Changing Social Structures' in **LABOUR COMMITMENT AND SOCIAL CHANGE IN DEVELOPING AREAS** by W.E. Moore and A.S. Feldman, Social Science Research Council, New York, 1960, pp. 350 and 359.

Writing of a labour force in East Africa an economist
says ¹⁰

' Before men can work efficiently at least two conditions must obtain: an employer must know how to evoke the qualities and abilities of his labour force effectively; but this in turn depends on whether the qualities and abilities and, in particular, the basic feelings about work, are there to be evoked. In Western countries there exists now a labour force whose attitudes are appropriate to an industrial society. Uganda, however, resembles more the England of Robert Owen than that of the Institute of Personnel Management. '

It would seem that the transformation from a subsistence economy into a modern highly productive economy cannot easily be a gradual evolution. What appears to be required is a sudden and more or less complete break with the past. The failure of the Niger Irrigation Project, where great efforts were made to create an artificial replica of the traditional pattern in a new environment, is an interesting case study. ¹¹

Many features of the traditional system, excellent though they may have been within that setting, are inimical to the qualities demanded in the new society. Respect for the traditional status of chiefs and elders, conformity to the general social will or tradition in matters of farming practice, willingness to incur the obligations and benefits of the extended family system and the traditional status of women are not likely to produce the type of person required in a modern economy - a man with initiative who is prepared to seek and to supply new markets with new products produced in new and more efficient ways, in short, an innovator.

10. W. Elkin, AN AFRICAN LABOUR FORCE, East African Studies No. 7, East African Institute of Social Research, Kampala, 1956.

11. 'Management in Transition' by Peter B. Hammond in LABOUR COMMITMENT AND SOCIAL CHANGE IN DEVELOPING AREAS, Moore & Feldman (Ed.) Social Science Research Council, New York, 1960.

The modern African political leaders are essentially forward-looking and radical in their approach and they tend to oppose the chiefs and hereditary rulers as conservative and anti-progressive forces. It may well be that they are correct in this, and that the real gravamen of the charge against the former colonial powers should not be that they kept their subjects down, but that they were not sufficiently ruthless and determined in their efforts to force them up. Perhaps under the system of 'indirect rule' and the desire not to disturb the traditional society, the real fault of the West was that - in striking contrast with the revolutionary radicalism of communism - it has tended to conserve the past rather than to force the pace towards the new.

Today most of the African leaders still look to the Western world for inspiration and guidance, but some are turning towards communism. It may well be that it is the radicalism of the communist approach rather than communist doctrine itself that is the attraction.



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