

THE RHODESIAN JOURNAL

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The Quarterly Journal of the Rhodesian Economic Society

Editorial Board:

A. M. Hawkins (Editor), M. S. Brooks, M. L. Rule, P. J. Stanbridge
and P. Staub.

INDUSTRY IN RHODESIA

A TWO-DAY SYMPOSIUM

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THE RHODESIAN JOURNAL OF ECONOMICS

PAPER No. 8

J. D. Cameron

Mr. John Cameron, a past President of the Associated Chambers of Commerce of Rhodesia, is a Trustee of the Tribal Trust Lands Research Foundation and prominent Rhodesian businessman.

INDUSTRY IN RHODESIA

INDUSTRIAL GROWTH AND THE SUBSISTENCE ECONOMY

J. D. CAMERON

It goes without saying that, in any country, advance in one sector of the national economy will benefit the nation as a whole and may well have profound effects upon other sectors, and the purpose in presenting this paper is to examine the inter-relation of the subsistence or traditional sector and industrial growth in Rhodesia.

At the outset, it is important to look at the present position in the traditional sector and consider the developmental possibilities that may exist, taking due account of the many difficulties that, doubtless, will be encountered in attempts to change the economic tempo and, thereby, the very lives of three-quarters of the total Rhodesian African population, who live in what is known as Tribal Trust Land, covering an area of some 40 million acres.

The economy of our traditional sector is a rural one, families relying for their subsistence primarily on simple cultivation of the soil or on animal husbandry. In some cases, the income thus derived is supplemented by remittances from adult male members of the family who have found employment in the modern sector, but it will be appreciated that the modern sector cannot absorb more than a small fraction of the expanding population of the traditional sector and, obviously, this limits the extent to which incomes of families can be supplemented by such remittances.

As will be seen, agriculture forms the base upon which the economy of the traditional sector is founded, and in 1968, some five million acres of Tribal Trust Land were under cultivation under dry land conditions and a further 10,000 acres under irrigation. It is estimated that, during 1968, African agriculture as a whole contributed approximately £24.7 million of the gross domestic product of £389.9 million, or roughly six and two-thirds per cent. This, however, included the contribution by the African Purchase Areas that lie outside the Tribal Trust Lands, and taking this into account, it is evident that the 530,000 peasant families living in the Tribal Trust Areas enjoyed an annual return of no more than £40 per family, which includes sales and the value of home consumed food.

In looking at the base, account must also be taken of the present wealth of the people within the traditional sector. It is known that they possess more than two million head of cattle, some two million goats and hundreds of thousands of sheep, together with other livestock, but it can hardly be said that they achieve any significant return from these substantial assets, since it is estimated that, in a normal year, sales of agricultural commodities from the traditional sector, that is sales of products surplus to the needs of the inhabitants, average only about £5 per family. This sum, together with such remittances as may be received from adult males employed in the modern sector, represents the present purchasing power of the traditional family—not a large sum in relation to the numbers involved.

Not all of the 40 million acres of Tribal Trust Land is suited to dry land cropping; in fact, it may well be that we will soon reach the optimum acreage that can be cultivated. Patently, therefore, the generation of greater wealth and, thus, increased purchasing power, will not be achieved by increasing the acreage under cultivation. The answer to the problem must lie in increased yields per acre and, coupled with this, improved animal husbandry, to ensure maximum productivity from the available land.

But what of the people who live within the traditional sector? Why should it be necessary to change their tempo of life and increase economic activity?

African Population

In the early years following the arrival of European civilisation, it was estimated that Rhodesia's total African population was of the order of 500,000. Latest national estimates give a figure of almost 4½ million (1), or nine times the population at the turn of the century. It is believed that, at the present time, the national increase in population is about 150,000 per annum, or approximately 3.4 per cent. Little imagination is required to envisage the problems that will arise at the end of this century if the present rate of increase is maintained, and the social and economic difficulties that will face the nation. It will be difficult, if not impossible, for the modern sector to bear the strains of providing health, educational and other social services, as well as national services, without mounting contributions from the African population.

So far, the emphasis has been on economic factors, but it is essential that attention be given to sociological factors also, and to the differences between the African traditional society and that of the European. At a recent symposium on Tribal Area Development, Mr. A. J. B. Hughes drew attention to the fact that development plans can often go awry simply because the plans themselves are based upon the unstated assumption that the economic life of the tribal people conforms to the pattern of Western economic life. He also made the point that certain aspects of our Western economic system, in a capitalistic society, are strongly conditioned by the total pattern of our culture, whereas the tribesman's economic life is simply conditioned by the overall pattern of his culture. Thus, endeavours to force the pace of change could result, not in the kind of development we would wish to see, but in a breakdown of tribal life and the creation of new and possibly more intractable problems.

Our past history has shown something of the human problems that can develop from endeavours to impose measures that, from the Western standpoint, would be considered logical and progressive and designed to benefit the peoples in the Tribal Areas. One need only mention the Land Husbandry legislation. We know how reluctant the members of the traditional sector have been to accept such measures, and the problems that have stemmed from these endeavours. It is obvious, therefore, that if we are to envisage development built upon the present social structure—the democratic approach—it is the human aspects, not solely the economic ones, that must be given particular attention, so that we can learn how to encourage desirable change within the present framework of a communal or communalistic society.

Transforming the Subsistence Economy

What then is required to activate the traditional sector so that it will provide greater employment opportunities for surplus population, a better living standard for its people and a larger market for the products of manu-

facturing industry, and make a greater contribution towards the cost of the services enjoyed by its people? It is self-evident that the following would tend to act as economic "activators":

1. Better communications.
2. Availability of capital.
3. Improved agricultural techniques and the more widespread use of fertilizers and pesticides. This heading must be taken to include better ploughing and land preparation and a greater use of fencing, as well as improvements in techniques relating to animal husbandry.
4. Improved marketing facilities. This is closely related to the need for better communications, but, in this concept, envisages the creation of market towns as centres for the selling of produce, the acquisition of goods and services and the establishment of rural, small-scale industries.

Other factors that could influence change, and might be considered as "motivators", would include:

1. Family planning and a movement towards monogamy.
2. Education and training.
3. The provision of social, cultural and sporting amenities within the framework of market town complexes.

Importance of Education

A great deal has already been said or written on all of the points mentioned, by authoritative persons and bodies, but some further comment is needed on Education and Training, listed under the heading of "Motivators".

We in this country are only too well aware that education has come to be regarded as a status symbol by our African population. Fortunately, it is already recognised that there is a need to re-orientate thinking on curricula and teaching methods and to relate these to our own national requirements and to human aspirations, so that the concept of education as a status symbol can be changed to a greater realisation of its importance as a means for the development of our national and human resources. The development of the traditional sector, at a pace that is necessary to avoid the problems experienced elsewhere, cannot be accomplished in an atmosphere where the overwhelming preference of the young is for "white-collar work" and manual work is looked down upon, for this will create a situation where there is a surplus of educated but unemployed persons and, at the same time, a shortage of the skills that are essential for development.

When considering educational needs, high priority must be given to the development of good work habits and a proper attitude towards work, and at the same time, to inculcating a basic civic education where this is lacking. The problem of education is particularly complex in the case of the adult population, where the best that can be hoped for is that knowledge imparted through progressive neighbours on demonstration plots and farms, or by such persons as Extension Officers, will highlight the benefits of new practices and methods.

The employment of persons on projects contributing to both social and economic advance in their areas must be encouraged, particularly on schemes that will offer opportunities for large-scale employment in the future.

The Tribal Trust Land Development Corporation

The foregoing outlines some of the needs of the traditional sector if it is to play its proper role in national advance. Successive Governments have shown a realisation of the needs and, progressively, steps have been taken to introduce change and promote development. The latest of such steps is the creation of "The Tribal Trust Land Development Corporation Limited", which has as its objective "the planning, promotion, assisting and carrying out, for the benefits of the inhabitants of Tribal Trust Land, the development in Tribal Trust Land of its natural resources and of industries and other undertakings and, in particular, but without derogation from the generality of the foregoing, to plan, promote, establish and carry on mining, industrial, agricultural, forestry and commercial (including banking) undertakings."

The successful implementation of the Corporation's object will create new employment opportunities within the traditional sector, but for the foreseeable future, and until intensive work has been done by the Corporation, one must look upon the modern sector as the main area for the employment of Africans moving from the Tribal Trust Lands. Employment opportunities in the modern sector are found in agriculture, industry, mining, distribution, and in services such as the domestic field and communications (2). Due to seasonal and other factors, there is often a variation in the total numbers engaged in certain areas of activity from one year to the next.

In Rhodesia, we have problems of both unemployment and under-employment, measured in terms of the definitions recommended by International Conferences of Labour Statisticians (3 and 4). In regard to under-employment, the major categories of "visible" and "invisible" under-employment were defined, and the experts "recognised that, in developing countries, 'visible' under-employment is only a fraction of total under-employment". It is obviously of vital importance to the national economy that we tackle the problem of under-employment in the traditional sector and ensure higher yields from simple cultivation and greater returns from animal husbandry.

This outline of the position within the traditional sector indicates that Rhodesia is presently more fortunate than many other developing countries in Africa and Asia, for we still have adequate land in relation to population and our traditional areas produce agricultural commodities in excess of their own requirements. This situation will not continue indefinitely, however, and constant national effort must be exerted to maintain and accelerate the pace of economic activity within the Tribal Areas, in order to create employment opportunities for the young people coming on to the labour market each year.

The years following the creation of the Federation of the Rhodesias and Nyasaland gave us an excellent opportunity to assess the value of a large internal market. In Southern Rhodesia in particular, industrialists lost no time in taking advantage of the knowledge they had gained and there was a tremendous upsurge in industrial growth to meet the demands of this larger market and the corresponding increase in purchasing power. Under present circumstances, the spending power must be generated from within Rhodesia alone. The acceleration of the tempo of activity in the Tribal Areas will be mutually advantageous to both the traditional and the industrial sectors, for this will place more purchasing power in the hands of the population and, thus, stimulate industrial development. This, in turn, will provide employment opportunities for those from the Tribal Areas who, for one reason or another, seek employment in the modern sector.

Appendix

1. Estimated *de facto* population:

Africans	4,480,000
European	241,000
Asian and Coloured ..	23,700
<i>Total</i> ..	<u>4,744,700</u>

2. Africans in Employment (Money Sector):

		<i>Total Earnings</i>
Agriculture	239,900	£17,300,000
Mining, etc.	44,100	7,100,000
Manufacturing	78,400	17,400,000
Building, etc.	38,100	7,200,000
Distribution	29,700	6,400,000
Domestic Service	92,900	11,200,000
Transport, etc.	17,200	5,500,000
Government Administration ..	21,500	4,600,000
All other	60,200	12,900,000
<i>Total</i> ..	<u>622,000</u>	<u>£89,600,000</u>

Note: It is estimated that there are over 200,000 aliens in employment, or nearly one-third of the total number employed. More than half of these foreign African employees are engaged in agriculture.

Source: Economic Survey of Rhodesia, 1969.

3. The definition of Unemployment recommended by the Eighth International Conference of Labour Statisticians.

- (1) Persons in unemployment consist of all persons above a specified age who, on the specified day or for a specified week, were in the following categories:
 - (a) workers available for employment whose contract of employment had been terminated or temporarily suspended and who were without a job and seeking work for pay or profit;
 - (b) persons who were available for work (except for minor illness) during the specified period and were seeking work for pay or profit, who were never previously employed or whose most recent status was other than that of employee (i.e. former employers, etc.), or who had been in retirement;
 - (c) persons without a job and currently available for work who had made arrangements to start a new job at a date subsequent to the specific period;
 - (d) persons on temporary or indefinite lay-off without pay.
- (2) The following categories of persons are not considered to be unemployed:
 - (a) persons intending to establish their own business or firm, but who had not yet arranged to do so, who were not seeking work for pay or profit;

(b) former unpaid family workers not at work and not seeking work for pay or profit.

4. At the Ninth International Conference of Labour Statisticians, the following definition was suggested for Under-Employment:

Under-employment exists when persons in employment who are not working full time would be able and willing to do more work than they are actually performing, or when the income or productivity of persons in employment would be raised if they worked under improved conditions or production or transferred to another occupation, account being taken of their occupational skills. Under-employment appears in various forms, some of which can be measured with reasonable accuracy by means of statistical inquiries. The following major categories of under-employment may be distinguished:

- (a) *visible under-employment*, which involves shorter than normal periods of work and which is characteristic of persons involuntarily working part time;
- (b) *invisible under-employment*, which is characteristic of persons whose working time is not abnormally reduced but whose earnings are abnormally low or whose jobs do not permit full use of their capacities or skills (sometimes called "disguised" under-employment), or who are employed in establishments or economic units whose productivity is abnormally low (sometimes called "potential" under-employment).

DISCUSSION OF PAPER EIGHT

Mr. Siebert expressed doubts about the outlook for African employment. He asked whether Mr. Cameron accepted the rather gloomy projections for African employment expressed by Mr. Mills and Professor Sadie.

Mr. Cameron replied that he believed that the growth of African employment in the Tribal areas would have to be based upon their own agricultural efforts. Mr. Cameron admitted that he was not very sanguine that the pace at which new job opportunities could be created in the modern sector was likely to be very large. In agriculture, for instance, the tendency must be for greater economy in the use of labour and despite the fact that there might be great increases in the acreages under cultivation, it was possible that there would not be any significant increases in the total number of workers employed. The humans must be more gainfully employed within the Tribal areas. He did not quarrel with Professor Sadie. If anything the Professor had been somewhat more optimistic than he was.

Sir Cornelius Greenfield asked Mr. Cameron's views about the possibility of stimulating development in the Tribal areas through the establishment of market towns in these areas. It was unwise, he thought, to regard the Tribal areas as rural areas for ever. He would have thought that it would prove possible—as a matter of policy—to bring District Commissioners, Missions, Rural Councils, Schools, etc., together and from this would spring a small village or urban community.

Mr. Cameron said that he had felt for a long time that one of the factors that could speed up the advance of the traditional sector would be the establishment of market towns which apart from being shopping centres could be administrative centres as well. One possible way of motivating Africans might well be through his children and his wife. The shop-window could act as an enticement so that the family began to make demands for products in the shops thereby forcing the head of the family to work harder and produce a cash surplus for sale. Market towns could also introduce to the rural African the merits of banking. This had been successful in the Phillipines. The market town could also provide amenities and help stem the flow into the towns of the modern sector.

Mr. Wright said he thought that a change in the present system of land tenure was probably the most important aspect of Tribal Trust land development. Until there was a change in land tenure, he did not think economic development in the Tribal areas would get very far.

Mr. Cameron stressed that he was no expert on land tenure within the tribal areas, but he thought it would be most unwise to assume automatically that because the Western system of land tenure was different that a change should be made. A sudden change could create chaos and far more difficulties than already existed, then if the situation were allowed to evolve over a long period of time. He therefore did not envisage an immediate change but he accepted that at some stage in the future a change would be required. Sudden change would be too disruptive a factor.

Mr. Rule said he thought that Mr. Cameron's remarks made it clear that he regarded the traditional sector as fulfilling two basic functions—a sponge to mop up surplus labour, and to develop its agricultural production thereby providing a larger market for the products of manufacturing industry. Mr. Cameron had suggested that one would achieve this agricultural development by introducing a more individualistic profit approach within the Tribal areas.

Mr. Rule said that in his opinion doing this would—to some extent—destroy the sponge effect of the subsistence sector. The individualistic profit motive would tend to destroy the social security system provided by the communal tribal approach. He asked whether a communal co-operative approach might not be better given this aspect. This would enable the profit motive to act but without disrupting the social security system that already existed.

Mr. Cameron replied that at the start, Mr. Rule's approach might well be suitable. In the long term, however, those who had developed entrepreneurial skills would want to seek an individualistic system. Thus, he expected development to be phased over a number of years perhaps starting on the communal basis suggested by Mr. Rule.

Mr. Girdlestone said in view of the limited resources available for development might it not be better to concentrate on promoting the faster development of the money sector which by creating extra job opportunities and drawing workers out of the Tribal economy would also stimulate development there.

Mr. Cameron agreed that the task was extremely difficult. This was not an argument for letting the problem in the traditional sector grow by default. However, he doubted whether the modern sector could be expanded anything like fast enough to cope with the rapidly growing labour force. It was for this reason that he favoured concentrated development within the traditional economy. He warned, however, that it might be necessary to adopt much more drastic and far-reaching tactics in the future.

Mr. Hawkins said there seemed to be a conflict between the economists and the sociologists with the former arguing that the entire traditional fabric of society needed to be transformed while the sociologists sought rapid economic development with the minimum of change in the tribal structure. Mr. Hawkins said he could not think of an example of a successful industrial agrarian revolution taking place without considerable change in the socio-political structure. He thought that the attempt to bolster and maintain the tribal structure was a positive disincentive to economic development and asked whether Mr. Cameron agreed.

Mr. Cameron said that personally he believed that the politicians would find that change would not come about within the framework of the present system and that it would be destroyed by the very factor of change. However, the right answer was not to accelerate the pace of change because this would be far too disruptive. Any sudden disruptive change could create problems of untold difficulty.

Professor Lombard said that the South African position was that if one had to gear one's rate of industrialisation to a 3.4 per cent per annum population growth rate this imposed a tremendous burden on the industrial sector. Also, due to the level of skills found among the Africans there would be considerable difficulties in terms of the "skills mix". One would perennially be running into a shortage of skills at the higher levels. This was the problem of trying to use industrialisation to solve one's employment problems. He asked whether the same sort of problem applied in Rhodesia.

Mr. Cameron said that the point raised by Professor Lombard was one that Rhodesia was very conscious of. A skilled manpower authority had been established to deal with this problem. Rhodesia was ill-equipped technically to embark on any major industrial expansion at this time.



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