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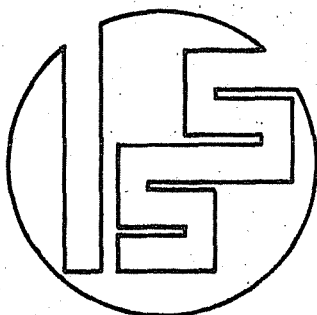
## OCCASIONAL PAPERS

Rhodesia - Economic Blockade and Long Term  
Development Strategy.

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are those of the authors and not necessarily those  
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Whichever way one may want to interpret the British Government's recent settlement proposals for Rhodesia, one thing at least is clear: their *stated* objective is to ensure the long term social, political and economic development of the black majority in Rhodesia. In order to achieve these ends, it has been proposed that sanctions should be lifted and generous aid (that wellknown panacea for underdeveloped economies) should be provided, in return for the acceptance, by the Smith regime, of a complicated set of rules for ensuring political rights for the African population in the long term. But the intriguing question, which arises from our observations, is whether the continuation of the economic blockade may not perhaps be a more effective means towards the achievement of these same ends. It is, of course, continually asserted that an economic blockade will in time reduce the Rhodesian economy to virtual ruin, thereby precipitating the fall of the Smith regime, and creating conditions for eventual African autonomy. However, implicit in this line of reasoning is the assumption that total integration into the World Free Trade System, and consequent aid and foreign investment is beneficial to, and even essential for, the development of underdeveloped countries.

Much of the recent research into the problem of underdevelopment and the relationship of the developed world to the underdeveloped countries indicates quite clearly that this is not in fact the case. Instead, it is maintained that isolation from the world capitalist system is the fundamental prerequisite for real economic growth in the underdeveloped countries.

It is also significant . . . that the satellites have typically managed such temporary spurts in development as they have had, during wars or depressions in the metropolis, which momentarily weakened or lessened its domination over the life of the satellites.<sup>1</sup>

Basic to our analysis is the definition of economic development strategy as being a set of interrelated economic decisions leading to the sustained improvement of the standard

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<sup>1</sup> Frank, A.G., *Capitalism and Underdevelopment in Latin America*, Pelican 1971, p. 36.

of living of the *masses* of the population. In our assessment of the situation now existing within Rhodesia, and of the far reaching effects that the imposition of sanctions has had on its relationship to the world capitalist system, we view the sanctions as having effects analogous to those of wars or depressions in Frank's analysis, in that they, too, lessen the ties between, in this case, the Rhodesian satellite economy and the world's metropolises. It is our contention that the economic blockade of Rhodesia, especially as it has not been 100% effective<sup>2</sup>, has in fact created the conditions under which the non-black ruling minority has been forced into a phase of 'capitalist involution' and thus has had to make the kind of structural changes which will lead to long term economic development. Furthermore, we contend that a sustained improvement in the living standards of the black majority, which must ensue if the Rhodesian economy is to sustain its development in any long term sense, will precipitate a revolution in the socio-political structure, provided that a carefully manipulated economic blockade continues. Especially sanctions regarding the exportation of armaments to the Rhodesian regime have to become effective, in order to prevent the tiny non-black minority from artificially clinging on to its present power position. Thus, our analysis of the available statistical information on the overall economic performance of Rhodesia, since the imposition of sanctions, suggests that the continuation of the blockade could well be a more effective means of achieving the long term development of Rhodesia for the benefit of the indigenous African population than those incorporated in the settlement proposals.

#### Theories of economic development and industrialisation through import substitution

The various theories of economic development seem to share an unfortunate characteristic of most other social theories

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<sup>2</sup> Under a totally effective economic blockade the Rhodesian economy would indeed collapse, but it would be naive to consider that such a blockade could ever be imposed in view of the fact that Rhodesia has direct borders with both South Africa and Portuguese Mozambique and in view of the lack of unity existing within the United Nations.

in that they are all too rapidly overhauled before having had a real chance to be put into practice, modified and again applied. One such theory, which was very much in vogue over a decade ago, but which has since lost much of its attraction, is that of industrialisation through import substitution. The Latin-American experience with this particular strategy for economic development in the Fifties has led to a flood of highly complicated criticisms, which, reduced to their essentials, often correctly assert mainly three things:

1. Protectionist policies encourage an inefficient use of resources as: "entrepreneurs have no inducement to select those activities which are most expedient or desirable from the economic standpoint, since cost considerations are of little significance when high prices can be charged."<sup>3</sup>
2. Protectionism often means a bias against vertical balance in import substitution--i.e. backward linkage is discouraged--as the inputs (capital equipment and raw materials) for the production of finished consumer goods are typically more liberally imported, thus eventually having an even more adverse effect on the balance of payments.
3. Import substitutive policies discourage export expansion for basically the same reasons as those mentioned sub. 1.

In short, what was wrong with import substitution policies is, that they often resulted in irrational and indiscriminate protectionism. These criticisms, however, do not negate the usefulness of the right kind of import substitution policy--one that would guard against the basic mistakes mentioned above--and the instigation of such a policy would still be an effective means of achieving industrialisation and long-term economic development. J.H. Power provides a basic guideline for the implementation of such a policy:

To carry an import substitution strategy successfully beyond the first stage requires either breaking into the export market or extending production backward to materials, intermediate goods and equipment.<sup>4</sup>

3 Santiago Macario:, "Protectionism and Industrialisation in Latin America," *Econ. Bulletin for LA*, Vol. IX, No. 1, 1965, reprinted in Meier, G., *Leading Issues in Economic Development*, Oxford University Press, p. 529.

4 J.H. Power, "Import Substitution as an Industrialisation Strategy," *The Philippine Economic Journal*, Vol. V., No. 2, 1966, reprinted in Meier, *op. cit.*, p. 524.

The recent economic history of Rhodesia quite clearly suggests to us that where internal import substitution policies fail, externally imposed ones (in this case due to sanctions) may well succeed. As we hope to show from the analysis of the data collected below, the economic blockade, precisely because it is imperfect, has forced Rhodesia into a successful import substitutive policy, which to a certain degree has omitted the errors mentioned.

#### The Rhodesian economy before and after UDI

Before 1965, Rhodesia exhibited many of the socio-economic features typical of contemporary backward economies:

1. A low per caput income of 165 Rh. dollars<sup>5</sup>.
2. An average annual growth rate of 5.2% (between 1960-1965)<sup>6</sup> characteristically failing to keep up with an annual population increase of 3.3%<sup>7</sup> and an inflation rate of approximately 3% p.a.<sup>8</sup>
3. Agriculture the largest single contributor to GDP (21.1% in 1964)<sup>9</sup> and engaging 73% of the economically active population.<sup>10</sup>
4. High rates of unemployment, reaching 6.2% in 1965<sup>11</sup> for the non-black population and increasing (before 1965) at a rate of 1% per annum. The African unemployment figures being worse still: between 1960-1963 there was an increase of 5%.<sup>12</sup>
5. Over-specialisation in the agricultural sector, with tobacco contributing 60% of the total value of agricultural products and 30% of total Rhodesian export earnings<sup>13</sup> and consequently

5 Calculated on the basis of the Gross National Income figure given for 1965 in *Monthly Bulletin of Statistics*, and the population figure of 4480000 given in *FAO Production Yearbook* 1970, Vol.24 for the same year. Converted into Pound Sterling NI per caput in 1965 was around £75--at 1965 currency rates.

6 Calculated on the basis of statistical data presented in *Monthly Bulletin of Statistics*, various issues.

7 Estimate given in *Econ. Bulletin for Africa*, Vol.VI, No. 1, 1966.

8 Based on consumer price index figures given in *Monthly Bull.of Statistics*.

9 *Econ. Bulletin for Africa*, Vol. VI, No. 1, 1966.

10 *FAO Production Yearbook*, Vol. 24, p. 23.

11 Calculated on the basis of statistical data in U.N.Statistical Yearbook, 1966.

12 *Africa Digest*, Oct. 1964, No. 2, p. 45.

13 *Econ. Bulletin for Africa*, Vol. VI, No. 1, 1966.

the need to import essential foodstuffs such as milk, wheat and maize.

6. A high rate of foreign investment accounting for 33% of fixed capital formation.<sup>14</sup> British investment totalled some £200 million in farms, mines and subsidiaries of multinational firms,<sup>15</sup> whilst U.S. investment was \$56 million, of which \$50 million in chrome mining.<sup>16</sup> The ubiquitous effect of foreign investment, in that it inevitably takes out of the underdeveloped economy far more than is put in, and thus expropriates the potential economic surplus of that economy, has been pointed out by, amongst others, *Paul Sweezy*:

... over any significant period of time the inflow from foreign investment will exceed the outflow of capital by 70% ... we have to ask, who has been using whose wealth? And the answer is surely obvious.<sup>17</sup>

The case of foreign investment in Rhodesia, before U.D.I. was, we feel, characteristic of the underdeveloped world, as for instance studies on Latin America suggest:

It has been this export sector which has been the principal source of potentially investible economic surplus, and each time this export sector has been controlled by a few foreign interests. Foreigners have owned the mines from which the surplus came ... Additionally, foreigners owned or controlled a large share of storage, transport, insurance, and other facilities associated with the export of principal economic surplus producing goods.<sup>18</sup>

Similarly, in Rhodesia in 1959 for instance, there was a deficit of £72 m. on invisibles (transportation, insurance and dividends), a deficit that was usually compensated for by further capital inflows<sup>19</sup>, a typical short term measure which only exacerbates the problem in the long run.

7. Domestic savings were relatively small due to a very skewed income distribution pattern; the average European wage being approximately ten times that of the average African wage<sup>20</sup>, which in turn was considerably higher than the incomes of

14 *Yearbook of World Affairs*, 1971, Vol. 25, pp. 142-162.

15 *Africa Digest*, Vol. XIII, No. 3, Dec. 1965, p. 58. The main firms were Tate and Lyle, Rio Tinto, British Oxygen, Unilever, Costains, Shell, Imps. English Electric, G.K.N. and Barclays.

16 *Africa Research Bulletin*, 1970, No. 9, Oct. 30, pp. 1814-1817.

17 Paul Sweezy, "The future of capitalism," in *The Dialectics of Liberation*, ed. by David Cooper, p. 105. Sweezy, here, of course refers to capital flows of the donor countries.

18 Andre Gunder Frank, *op. cit.*, p. 42.

19 *Africa Digest*, Vol. VIII, No. 6, June 1961.

20 This figure is based upon figures presented in "Rhodesia, Proposals for a Sell-Out," pamphlet published by the Southern African Research Office, 1972, p. 13.

the overwhelming African majority subsisting outside the cash economy. And this skewed distribution also indicates that the majority of the population fall well below the per caput income figure which in itself is low already. In other words, there was within the Rhodesian economy, a tiny, but wealthy (and as it happens non-black) uppercrust exhibiting an excessive consumption pattern, and thus making heavy demands on the balance of payments through its importation of luxury consumer goods. In 1964, manufactures constituted 28.1% of the import bill.<sup>21</sup>

This feature, again, is by no means unique to Rhodesia, but typical of the underdeveloped satellites of the Western Capitalist Metropoles. Compare for instance such observations as made by Andre Gunder Frank:

. . . the dynamic sector of the colonies or satellites was their export sector, that is, their domestic metropolis . . . domestic income was concentrated there, and so was therefore domestic capacity for consumption and investment or accumulation . . . . Interests are created . . . which induced their ruling groups to satisfy a large part of their concentrated consumption demand by imports.

And again:

The national metropolis became a satellite exporter of primary products to the world metropolis and in turn depended on it for the import of manufactures and luxury consumption goods. The national oligarchy, be it agrarian, mining or commercial, naturally wants to import these goods at the lowest possible price, that is without tariff protection, just as long as it pays for these sumptuary goods with the economic surplus which it in turn expropriates from its national and provincial satellites.<sup>22</sup>

In 1971, for which the latest figures are available, and 5 years after the blockade, the economic picture has--we believe--fundamentally altered and now presents the *structural* features conducive to long term economic development.

1. Per caput income has risen to 193.2 Rh. dollars.<sup>23</sup>
2. Annual growth rate in *real* terms taken over the whole of the period was 5.9%, enough to yield a net increase over

21 *Econ. Bulletin for Africa*, *ibid.*

22 A.G. Frank, *op. cit.*, 51-52. Frank refers here to Ferrer's study of the Argentinian economy.

23 Calculated on the basis of the Gross NI figure presented in *Monthly Bulletin of Statistics*, April 1972, and an estimate of the Rhodesian population of 5,250,000 in 1971.



and above the population growth rate of 3.3%. Moreover, the growth rate figures for the later years have been accelerating, the figures in *real* terms for 1969, 1970 and 1971 being respectively 10.6, 4.8 and 10.00%<sup>24</sup>. Obviously, it took some years after the blockade began before the remobilisation of resources could gain any momentum.

3. Industrial origin of GDP is progressively moving away from agriculture to extractive-, manufacturing- and service industries, as the following table shows:

Industrial origin GDP 1964, and 1970<sup>25</sup>  
in percentages

	1964	1970
Agriculture	21.1	15.5
Mining and quarrying	5.3	6.1
Manufacturing	16.8	20.9
Electricity and water	4.2	3.3
Construction	4.1	5.9
Distribution	13.0	11.2
Transport and communication	9.5	6.2
Others	26.0	30.9
T o t a l	100.0	100.0

4. The employment situation has improved: white employment rose by 2% per annum up to 1967 (the last available figures) whilst in the five years leading up to U.D.I. it had been declining at a rate of 1% per annum. There was a drop in African employment directly after the imposition of sanctions due to the enforced out back in tobacco production, but this drop has been largely offset by rising employment in the constantly growing manufacturing and building sector in later years. In 1968, African employment in the agricultural sector rose by 2.5%. In 1969, *African Research Bulletin*<sup>26</sup> notes there was a general increase in employment. Africans

24 *Treasury Economic Survey*, 1972.

25 The 1964 percentages are calculated on the basis of the absolute data presented in *Econ. Bulletin for Africa*, *op. cit.* The figures for 1970 are calculated on the basis of the absolute data presented in the April 1972 issue of *Monthly Bulletin of Statistics*.

26 *Africa Research Bulletin*, Vol. 17, No. 4, May 31, 1970.

have started to find jobs in shops and banks, from which they were excluded six years ago.<sup>27</sup> There has also been a 25% increase in employment in the mining sector since 1965. The latest figures, for 1971, show that 35,000 more people found jobs during the year; "enough to keep pace with the population explosion though not enough to make any impression on the backlog existing prior to U.D.I."<sup>29</sup>

5. Foreign investment has declined to approximately one fifth of its pre-sanctions level. This has resulted in a saving of £100 m. on the servicing of bond issues and of foreign repayment, with as much again on foreign private investment and dividends. The total amount of some £200 m.<sup>30</sup>, which would have flowed out of the economy prior to U.D.I. has provided additional economic surplus for internal development.
6. At the same time Domestic Capital has improved significantly due to a forced outback in the consumption pattern of the rich non-black minority which ensued from sanctions and the consequent restrictive import controls. The Minister of Finance, *Wrathal*, is on record as saying: "The most significant feature has been the high level of investment in recent years."<sup>31</sup> This was a reference to the 1968 figure for capital formation of 138 m. Rh. dollars, whilst in 1970 the level of fixed capital formation had risen to 150 m. Rh. dollars.

#### Structural economic change: agriculture vs. industry

In the previous section we have briefly summarised the changes of the Rhodesian economic indicators since U.D.I. and the imposition of sanctions. When taken separately these differences may not be all that impressive, but when taken together, they represent--we believe--a fundamental and promising change in the *structure* of the economy. In this section we will set out the reasons for this belief.

27 *The Economist*, March 7, 1970.

28 *African Development*, Sept. 1971, p. 41.

29 *The Financial Times*, April 16, 1972.

30 *African Digest*, Oct. 1964, No. 2, p. 45.

31 *African Research Bulletin*, Vol. 7, No. 2, March 31, 1970.

A frequently heard criticism of developing countries' overambitious industrialisation programmes is that they typically tend to be accompanied by a neglect for agriculture. A sound agricultural basis is a prerequisite for industrial take-off for mainly three reasons:

1. Increase and diversification of agricultural output is required to feed the labour force freed from the land and engaging in other sectors of the economy.
2. Increased productivity in the primary sector<sup>32</sup> provides both the export earnings needed to finance industrialisation programmes and the raw materials inputs needed for the expansion of the secondary and tertiary sectors.
3. Increase in rural incomes is conditional for the creation of a domestic market for expanding industrial supply.

The information available to us seems to suggest that both a startling diversification and increase in agricultural output has occurred under the sanctions regime. What with tobacco being the most easily identifiable Rhodesian crop, sanctions were particularly effective here, resulting not only in a drastic decline in output, but also in a rationalisation of its production. After sanctions had been introduced the number of tobacco farmers fell from 2800 to 1600<sup>33</sup>, and *African Development*, in 1971, commented that "sanctions have made the tobacco industry more efficient and competitive; it has become a low cost industry."<sup>34</sup> Capital and labour under these conditions were forced to move into other agricultural activities. Moreover, the limitation on imports and the uncertainty which confronted the regime--at least *initially*--vis-à-vis the types of importations that might be expected to leak through the blockade, meant that agricultural diversification in the first instance had to serve the purpose of securing self-sufficiency in essential foodstuffs. As a result live-stock increased dramatically in the years 1966-1971 as did the

32 We include here 'extractive industries' under the primary sector.

33 *Yearbook of World Affairs*, 1971, Vol. 25, pp. 142-162.

34 *African Development*, 1971, Oct.

production of maize, wheat, milk and soja beans.<sup>35</sup> Unlike the late 1950s and early 1960s when agricultural imports amounted to over 20 m. Rh. dollars (+ 10% of total imports)<sup>36</sup> Rhodesia is now a substantial exporter of agricultural commodities. Cotton production, too, increased impressively (40% up in 1971 compared with 1970<sup>37</sup>) thus providing the necessary inputs for the expanding textile industry.

Although agricultural output increased phenomenally in the years since the blockade began, agriculture became characteristically a low-profit industry.<sup>38</sup> However, what this really indicates is that the non-black landowning class could no longer benefit from the easy tobacco earnings of the pre-U.D.I. period. An increase in food output coupled with restricted access to foreign markets must have kept the prices of these basic foodstuffs at a level where they became more accessible to the black majority. In other words, one of the immediate results of the blockade--in our opinion--has been an enforced redistribution of the National Product.

Regards the second of the three requirements to be met by increasing output in the primary sector, the Rhodesian experience is even more interesting: Total mineral production increased by 58% since sanctions were introduced. Rhodesia has become self-sufficient in cement, asbestos, and copper. All the major nickel mines came into production only after 1965.<sup>39</sup> Not only could Rhodesia start to feed her own expanding manufacturing and construction industries, the new extractive industries also found an outlet into new export markets, since they were less easily recognisable as Rhodesian in origin, and thus sanctions appeared to have been less effective. A wide variety of minerals is being produced so that falls in some primary product prices are often offset by increases elsewhere. For instance, in 1971, when copper prices were falling, antimony prices rose substantially inducing a fivefold rise in output.<sup>40</sup>

35 Between 1965 and 1970 the number of head of *cattle* increased from 3,501,000 to 5,000,000. *Wheat* increased from 9,000 metric tons in 1966 to 56,000 metric tons in 1971. *Maize* increased from 472,000 metric tons in 1965 to 1,260,000 metric tons in 1971. These figures are based on those presented in the *U.N. Statistical Yearbook, 1966*, the *U.N. Production Yearbook* and *Africa Res. Bulletin*, various issues.

36 *Econ. Bulletin for Africa*, *op. cit.*

37 *Financial Times*, April 16.

38 *Africa Research Bulletin*, No. 4, May 31, 1970.

39 *Africa Research Bulletin*, No. 1, Febr. 29, 1972.

40 *African Development*, Sept. 1971, p. 41.

Throughout this analysis we maintain that it is not a total economic blockade, but one with leaks, that can 'manipulate' an underdeveloped economy into the right kind of development strategy. This is especially important if we remember the criticism levelled against 'indiscriminate' protectionist policies referred to earlier. Import restrictions due to sanctions and the subsequent constraint on foreign exchange, seemed on the one hand to have forced Rhodesia into 'backward linkage' as far as the production of raw materials is concerned. At the same time, and on the other hand, these extractive industries in a country like Rhodesia with a small albeit growing domestic industry, could only become economically viable if there was a leak into exports. To date 90% of Rhodesia's minerals is exported. Total exports last year managed a growth rate of nearly 10% despite the deterioration in world metal market conditions, and at 271 m. Rh. dollars were not far off their pre-sanctions peak.<sup>41</sup> This indicates that as far as exports are concerned the economic blockade is no longer merely leaking, it is practically non-existent. Two points are relevant here: firstly, that, being more effective initially the sanctions regime has forced Rhodesia to diversify its mineral production and consequently its export industries, and, secondly, that the cost of reaching the world markets through the extortionate practices of South African middlemen continue to make for the adverse terms of trade that help preserve a foreign exchange constraint necessary for the limitation of imports.

Where sanctions *did* fail, right from the start, was with respect to the importation of capital goods. The *Yearbook of World Affairs* in 1971 commented that "manufacturing industries expanded under the protection of sanctions; there was no apparent serious inconvenience due to shortage capital equipment." Apparently, many enterprises were set up as subsidiaries of South African parent companies<sup>42</sup>, with the parent company investing not money but machinery under so-called

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<sup>41</sup> *African Development*, June 1972.

<sup>42</sup> *Sanctions against Rhodesia*, a study published by the Africa May 1972, p. 35.

'no currency involved' deals. In other words, backward linkage into intermediate technology and capital goods industries (with the exception of agricultural equipment) does not seem to have occurred as yet. Had the economic blockade been more effective here, industrial take-off could well have presented an even greater absorption of the labour force. On the other hand, a totally effective blockade would have paralysed any industrialisation efforts from the start.

The expansion of manufacturing industries has indeed been impressive. Out put in agricultural equipment, clothing, footwear, furniture, paint products and electrical goods was especially marked.<sup>43</sup> Not only has Rhodesia become self-sufficient in the production of fertilisers, the cost has been halved compared to that of imported fertilisers from the pre-U.D.I. period. Breaking into export markets seems to have occurred with respect to agricultural equipment. *Africa Research Bulletin*, in 1970, summed up the general state of the Rhodesian economy:

A survey based on the latest figures available and the monthly digest of statistics, showed that manufacturing output, electricity sales, building output, wholesale and retail trade, and employment figures all indicated considerable progress in the year. At the same time the consumer price index had shown only modest increases, and inflation had been contained in most sectors.<sup>44</sup>

Although we are confident that a fundamental change in the structure of the Rhodesian economy has been set in motion under the imposition of sanctions--or, where they failed: under the threat of the blockade--the question of course is whether this apparent boom can continue under the persistence of sanctions. Undoubtedly, the most important effect of sanctions in economic terms has been to deny Rhodesia access to world money markets. This, together with a sharp deterioration in the terms of trade since 1965 of some 15%<sup>45</sup> has led to an acute shortage of foreign exchange which in turn has led to a deterioration of the infrastructure which is now threatening.

43 *Yearbook of World Affairs*, 1971.

44 *Africa Research Bulletin*, Vol. 7, No. 12, 1970.

45 *Sanctions against Rhodesia*, op. cit., p. 35.

the entire economy. Two considerations should be borne in mind here, however. On the one hand, there are signs of an upturn in commodity prices which undoubtedly will make the foreign exchange bottleneck a less critical one in the next few years, whilst on the other hand a lifting of sanctions will bring in its wake such an *easy* access to foreign currency that a return to pre-U.D.I. consumption and production patterns of the ruling non-black minority appears inevitable.

### Economic blockade and future developments

With this we have come to the third requirement to be met by a structural change from agriculture to industry, namely the rise in incomes of the masses of the population, that will provide an effective demand necessary for industrial expansion. It is exactly at this point that in our opinion a continuation of the economic blockade, with its leaks, becomes imperative. Two considerations have led us to this conclusion. Firstly, the very skewed nature of the socio-political structure of the Rhodesian society. Secondly, the level of production that the Rhodesian economy now seems to be reaching. These two considerations should be taken conjointly: we must remember that the tiny non-black minority roughly represents the owners of two of the three factors of production, i.e. capital and land (raw materials). The overgreat black majority represents the third factor of production: labour.

A lifting of sanctions at this stage, in our opinion, would all too easily lead to a situation where by and large *only* the owners of land and capital would be remunerated, and thus would help to consolidate their socio-political hegemony even further. Lifting of sanctions, indeed would have three immediate effects:

- a. A too easy access to export markets for the new extractive industries as well as for the traditional export earner tobacco.
- b. An easing of the balance of payments and a consequently liberal importation of highly capital intensive technology (very likely with returned foreign investments taking their share of the profits out of the economy altogether). Not to

mention an even more liberal importation of arms and security devices.

- c. A resumption of imports of luxury goods for the benefit of the non-black minority.

Extractive industries lend themselves all too easily to a profitable production with highly advanced capital equipment which does not generate employment and incomes. Moreover, with an easing of the balance of payments and a ready access to export markets, the owners of land and capital would once more divert their resources away from the potentially more labour-intensive domestic industries. Similarly a return to monoculturation (preferential production of tobacco) and a consequent move away from the more balanced diversified structure of agriculture to date, is a real possibility. This is not mere speculation: statements made by the leaders of the Rhodesian economy suggest this: Mr. Wrathall, Minister of Finance in Smith's cabinet and Deputy P.M. is on record as commenting that in the event of a settlement with Britain tobacco production shall be increased again and will reach once more its pre-U.D.I. level.<sup>46</sup> Also, the President of the Rhodesian National Farmers' Union reportedly predicted that a settlement with Great Britain will enable agriculture to regain the position it has had in the 1960s, when it was the largest contributor to GNP.<sup>47</sup> The application of Gunder Frank's model of the development of underdevelopment is so relevant here that we quote in extenso:

Development of the satellites thus appears not as the result of stronger ties with the metropolis, as the dualist model suggests, but occurs on the contrary because of the weakening of these ties . . . . The renewal of stronger metropolis-satellite ties may correspondingly produce the following consequences in the satellite:

- a. The renewal of underdeveloped development consequent upon the re-opening of the market for the retrenched region's export products, such as has occurred periodically in Brazil's Northeast. This apparent development is just as disadvantageous in the long run as was the satellite's initial metropolis sponsored export economy: underdevelopment continues to develop.

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46 *Africa Research Bulletin*, Vol. 9, No. 2, March 1st, 1972.

47 *Africa Research Bulletin*, Vol. 9, No. 3, April 30, 1972.



- b. The strangulation and misdirection of the autonomous development undertaken by the satellite during the period of lesser ties through the renewal of stronger metropolis-satellite ties as the result of the recuperation of the metropolis after a depression, war, or other kinds of ups and downs . . .<sup>48</sup>

Thus, for Rhodesia too, we expect that a renewal of its ties with the world's capitalist metropolis consequent upon a settlement will make the economy once more regress to structural underdevelopment. More important still, a 'closed' economy like one created by an economic blockade, *is forced to transfer its national product into a more equitable income distribution* in order to generate incomes to create effective demand and thus keep the wheels of the production process going. Finally, even though, as we have demonstrated, the sanctions regime has manipulated the Rhodesian non-black ruling class to embark on what we think is a long term development strategy--they have not as yet responded to the situation optimally, because of their widespread belief that the economic blockade would not last long. Thus, for instance, stock piles of tobacco have been kept throughout the period. A demonstration of the world's determination to continue the blockade even in a milder form will induce the Rhodesian ruling minority to adopt an even more rational and realistic use of resources.

#### Economic development and social revolution

We are well aware of the current controversy in revolutionary circles regarding the relative effectiveness of the orthodox marxist strategy of extremisation vs. the revolution of rising expectations approach to socio-political transformation of society.

The former, briefly, asserts that total extremisation, polarisation and absolute pauperisation of the exploited class is conditional for revolutionary developments. The latter doctrine asserts that the exploited class needs to be well fed and sufficiently incorporated into the socio-economic system to become politically conscious of its inferior position and at the same time frustrated in its attempts to achieve

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<sup>48</sup> Andre Gunder Frank, *op. cit.*, pp. 177-178.

fulfilment of its rising aspirations. The clearest and earliest expression of the latter doctrine has been given by Alexis de Tocqueville:

It is not always by going from bad to worse that a society falls into revolution. It happens most often that a people which has supported without complaint as if they were not felt, the most oppressive laws, violently throws them off as soon as their weight is lightened. The social order destroyed by a revolution is almost always better than that which immediately preceded it . . .<sup>49</sup>

However, we do agree with Chairman Mao, when in a different context he argues that strategic decisions need be made on the basis of an understanding of the concrete contradictions existing in any one particular historical situation, and that "qualitatively different contradictions can only be resolved by qualitatively different methods."<sup>50</sup>

Thus, a situation of exploitation of a black minority in an already fully-developed and solidified economy, like that of the USA today, is very different from one which is characterised by exploitation of an overgreat black majority under rapidly changing economic conditions. Whereas in the former case it is quite true to assert that the revolutionary potential of the black minority is being eroded by its gradual absorption into the capitalist economy, in the latter case an (enforced) entrenchment of the black majority in the economy creates the very conditions for a revolutionary transformation of the power structure.

A continuation of the economic blockade, as we have suggested before, would lead to an ever greater participation of the black masses in both the productive and the distributive systems of the economy. Increasing incorporation into the productive system will bring in its wake an expansion of educational facilities for the blacks in response to the growing need for technical and administrative skills of the labour force. Indeed, since 1966 Rhodesia has increased its expenditure on African education by 50%.<sup>51</sup> At the same time,

49 Alexis de Tocqueville: "The Old Regime and the French Revolution," quoted in Olsen, M.: "Rapid Growth as a Destabilising Factor," *Journal of Econ. History*, 1963, 23.

50 Mao Tse Tung: *Four Essays on Philosophy*, Ch. 1, "On Contradictions," p. 38.

51 The figure for 1970, according to *Africa Research Bulletin* 1970, July 31, No. 6, was 18,194,000 Rhodesian dollars, compared to a figure for 1966 of + 13 mill. Rh. dollars.

a continuation of the blockade will undoubtedly discourage any further immigration of white settlers which up till now seems to have largely offset the demands for skilled black labour. A higher overall level of education of the oppressed masses, in turn will facilitate the awakening of its political consciousness and its organisational ability and thus prepare it for its revolutionary takeover. Quite apart from the need for skills industrialisation requires increasingly a *committed* labour force. As *Feldman and Moore* have pointed out: "organized labor protest is a sign of involvement in the system: the uncommitted worker will normally behave apathetically or quit", and Moore continues: "an informal organisation, though contrary to official structure or at least not part of its plan, will develop spontaneously out of work experience . . . ."52

Rapid economic growth, indeed, is accompanied by that hot-bed of revolutionary potential, that Deutsch has labelled: *social mobilisation*. He defines it as that "proces in which major clusters of old social, economic and psychological commitments are broken and people become available for new patterns of socialisation and behaviour."53 This social mobilisation is brought about by all those institutional rearrangements directly required for industrialisation and economic development, such as geographical mobility, social mobility, urbanisation, literacy, the introduction of cash market-relations, and the spread of mass media. In short, social mobilisation is associated with the very process of modernisation. "Modernisation", *Huntington* has argued,

means that all groups, old as well as new, traditional as well as modern, become increasingly aware of themselves as groups and of their interests and claims in relation to other groups. One of the most striking phenomena of modernisation, indeed is the increased consciousness, coherency, organization, and action which it produces in many social forces on a much lower level of conscious identity and organisation in traditional society.54

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52 *Feldman, A.S. and W.E. Moore: "The Society" in Moore and Feldman (eds): Laborcommitment and Social Change in Developing Areas, New York Social Science Research Council, 1960, pp. 69-71, quoted in W.E. Moore, The Impact of Industry, Englewood Cliffs, 1965, p. 50.*

53 *Deutsch, K.W.: "Social Mobilisation and Political Development," in The American Political Science Review, Sept. 1961, No. 3, p. 494.*

54 *Huntington, S.: Political Order in Changing Societies, Yale University Press, 1968, p. 37.*

In other words, 'incorporation' into the productive system need not necessarily corrupt; it can and will lead to political consciousness and organised protests, and successfully so depending on the strength and interests of the majority.

Turning to the interests of the black majority, it is here that a gradual entrenchment of that majority as *consumers* in a non-black dominated system becomes a revolutionary force in that it will bring to bear the effects of the revolution of rising expectations. Many observers of contemporary developing societies have stressed the important link between *rapid* economic growth, social mobilisation (as defined above) and social frustration, when new opportunities teach people to ask for still greater ones, and the ability of society to satisfy these new aspirations increases much more slowly than the aspirations themselves. *Huntington* attributes the cause for the relationship between social frustration and political instability to the absence of two potential intervening variables namely: opportunities for social and economic mobility (other than mere urbanisation), and adaptable political institutions. It is in the absence of these that the sharp increase in political articulation and participation consequent upon social frustration leads to political instability. Economic development increases economic inequality at the same time that social mobilisation decreases the legitimacy of the inequality.<sup>55</sup> An underdeveloped political system--such as the Rhodesian--blocks access to airing grievances (parliamentary representation etc.) and this blockage, *Smelser*, too, has argued is one of the decisive causes of social disturbances.<sup>56</sup>

In conclusion, it is not poverty that breeds revolution, but rather a 'steadily increasing prosperity', which in the worlds of *de Tocqueville*: "far from tranquilizing the populations everywhere promoted a spirit of unrest."<sup>57</sup> Indeed, many historic revolutions, ranging from the Reformation, the French,

55 *Huntington*, *ibid.*, pp. 39-59.

56 *Smelser*, N.: "Towards a Theory of Modernisation," in A. and E. Etzioni (eds), *Social Change*, N.Y. 1964.

57 Alexis de Tocqueville, *op. cit.* in Olsen, M., *ibid.*

the American, through to the Russian, the Mexican, and lately the Cuban revolutions have followed *improvements* in economic conditions.<sup>58</sup> Moreover, the more *rapid* the process of economic growth, the greater the social dislocations, and frustrations that will follow.

The Rhodesian ruling minority being well aware of the social dangers of an 'incorporation drive' has so far followed a policy of economic separation of the two races. The institution of Tribal Trust Lands for instance was designed to keep the black majority *outside* the cash economy. In our view the rapid expansion and involution of the economic system under a continuing economic blockade will make such a policy increasingly untenable. Artificially cut off from the outside world, the ruling non-black minority will increasingly need the black majority for its economic survival; the economic incorporation drive will set in motion the processes of social mobilisation, social frustration and political instability described above.

### Conclusion

From our analysis of the economic conditions prevailing in Rhodesia it would appear that a continuation of manipulated sanctions is essential for balanced development of that economy which--we believe--will inevitably result in the socio-political revolution of the African peoples in Rhodesia.

At present, the interests of monopoly capital in the world metropolises appear to be exerting considerable pressure on their respective Governments for the lifting of sanctions. Big business whines over the vast profits lost due to sanctions. Their total lack of concern for the oppressed Africans of Rhodesia still reflects the spirit in which Rhodesia was first colonised, articulated by *Cecil Rhodes* whose interest was "in land, not niggers."<sup>59</sup>

The choices appear to be clear. If the powers that be succumb to those interests then Rhodesia will once more be

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<sup>58</sup> Olsen, M., *op. cit.*

<sup>59</sup> Quoted in Paul Baran, *The Political Economy of Growth*, New York 1957, p. 203.

doomed the status of an underdeveloped satellite and all that this implies, with black Rhodesians both oppressed as well as excluded from any internal development in the economy. Alternatively, if sanctions are maintained then the non-black minority will be forced to set in motion the very processes through which they will eventually be ousted from their present power position.

A careful *manipulation* of the economic blockade is what is called for, in order to steer the directional tendencies of the Rhodesian economy from without. If the British Government's intentions regards the future of Rhodesia in any way resemble the *stated* aims mentioned in the settlement proposals it should continue the sanctions regime with a skillfully administered blockade. The skill of the administration would consist of:

1. A total squeeze on imports of arms and security devices.
2. A total squeeze on the importation into Rhodesia of highly capital intensive technology, but
3. allowing for some importation of labour intensive, intermediate technology, and
4. permitting the importation of necessary equipment to renew the much damaged infrastructure;
5. hampering the exports of the new extractive industries but not trying to prohibit exports altogether, and encouraging the exports of manufactured goods;
6. a total squeeze on the importation of luxury goods, but
7. allowing for some imports of necessary foodstuffs, and
8. of revolutionary and educational material.

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